Brookfield

Brookfield Renewable Partners L.P.

Q2 2018 INTERIM REPORT

OUR OPERATIONS

We invest in renewable assets directly, as well as with institutional partners, joint venture partners and through other arrangements. Our portfolio of assets has approximately 17,400 megawatts ("MW") of capacity and annualized long-term average ("LTA") generation of approximately 53,300 gigawatt hours ("GWh"), in addition to a development pipeline of approximately 8,000 MW, making us one of the largest pure-play public renewable companies in the world. We leverage our extensive operating experience to maintain and enhance the value of assets, grow cash flows on an annual basis and cultivate positive relations with local stakeholders. The table below outlines our portfolio as at June 30, 2018:

	River Systems	Facilities	Capacity (MW)	LTA[1] (GWh)	Storage Capacity (GWh)
Hydroelectric					
North America					
United States	30	136	2,886	11,982	2,523
Canada	19	33	1,361	5,177	1,261
	49	169	4,247	17,159	3,784
Colombia	6	6	2,732	14,476	3,703
Brazil	27	43	927	4,799	-
	82	218	7,906	36,434	7,487
Wind					
United States	-	24	1,888	6,565	-
Canada	-	4	484	1,437	-
	-	28	2,372	8,002	-
Europe	-	48	1,196	2,664	-
Brazil	-	21	552	2,258	-
Other[2]	-	7	277	536	-
	-	104	4,397	13,460	-
Solar[2]	-	544	1,783	3,381	-
Storage[3]	2	4	2,698	-	5,220
Other[4]	-	6	580	-	-
	84	876	17,364	53,275	12,707

(1) LTA is calculated on a consolidated and an annualized basis from the beginning of the year, regardless of the acquisition or commercial operation date. See "Part 8 – Presentation to Stakeholders and Performance Measurement" for an explanation on our methodology in computing LTA and why we do not consider LTA for our Storage and Other facilities.

(2) Includes five solar facilities (151 MW) and one wind facility (27 MW) in South Africa that has been presented as Assets held for sale. See "Part 1 – Q2 2018 Highlights – Liquidity and Capital Resources".

(3) Includes pumped storage in North America (600 MW) and Europe (2,088 MW) and battery storage in North America (10 MW).

(4) Includes four biomass facilities in Brazil (175 MW), one cogeneration plant in Colombia (300 MW), and one cogeneration plant in North America (105 MW).

The following table presents the annualized long-term average generation of our portfolio as at June 30, 2018 on a **consolidated** and quarterly basis:

GENERATION (GWh)[1]	Q1	Q2	Q3	Q4	Total
Hydroelectric					
North America					
United States	3,404	3,474	2,178	2,926	11,982
Canada	1,228	1,508	1,223	1,218	5,177
	4,632	4,982	3,401	4,144	17,159
Colombia	3,508	3,509	3,571	3,888	14,476
Brazil	1,181	1,198	1,210	1,210	4,799
	9,321	9,689	8,182	9,242	36,434
Wind					
North America					
United States	1,798	1,762	1,291	1,714	6,565
Canada	400	345	273	419	1,437
	2,198	2,107	1,564	2,133	8,002
Europe	730	621	591	722	2,664
Brazil	446	514	717	581	2,258
Other[2]	127	142	139	128	536
	3,501	3,384	3,011	3,564	13,460
Solar[2]	781	947	901	752	3,381
Total	13,603	14,020	12,094	13,558	53,275

(1) LTA is calculated on a consolidated and an annualized basis from the beginning of the year, regardless of the acquisition or commercial operation date. See “Part 8 – Presentation to Stakeholders and Performance Measurement” for an explanation on our methodology in computing LTA, why we do not consider LTA for our Storage and Other facilities.

(2) Includes five solar facilities (151 MW) and one wind facility (27 MW) in South Africa that has been presented as Assets held for sale. See “Part 1 – Q2 2018 Highlights – Liquidity and Capital Resources”.

The following table presents the annualized long-term average generation of our portfolio as at June 30, 2018 on a **proportionate** and quarterly basis:

GENERATION (GWh)[1]	Q1	Q2	Q3	Q4	Total
Hydroelectric					
North America					
United States	2,225	2,361	1,470	1,953	8,009
Canada	1,214	1,461	1,184	1,192	5,051
	3,439	3,822	2,654	3,145	13,060
Colombia	844	844	859	935	3,482
Brazil	969	985	996	996	3,946
	5,252	5,651	4,509	5,076	20,488
Wind					
North America					
United States	590	620	447	558	2,215
Canada	346	308	249	366	1,269
	936	928	696	924	3,484
Europe	257	213	201	254	925
Brazil	146	168	242	199	755
Other[2]	37	42	41	36	156
	1,376	1,351	1,180	1,413	5,320
Solar[2]	223	275	260	213	971
Total	6,851	7,277	5,949	6,702	26,779

(1) LTA is calculated on a proportionate and an annualized basis from the beginning of the year, regardless of the acquisition or commercial operation date. See “Part 8 – Presentation to Stakeholders and Performance Measurement” for an explanation on the calculation and relevance of proportionate information, our methodology in computing LTA, why we do not consider LTA for our Storage and Other facilities.

(2) Includes five solar facilities (151 MW) and one wind facility (27 MW) in South Africa that has been presented as Assets held for sale. See “Part 1 – Q2 2018 Highlights – Liquidity and Capital Resources”.

Statement Regarding Forward-Looking Statements and Use of Non-IFRS Measures

This Interim Report contains forward-looking information within the meaning of U.S. and Canadian securities laws. We may make such statements in this Interim Report and in other filings with the U.S. Securities and Exchange Commission (“SEC”) and with securities regulators in Canada - see “PART 9 - Cautionary Statements”. We make use of non-IFRS measures in this Interim Report - see “PART 9 - Cautionary Statements”. This Interim Report, our Form 20-F and additional information filed with the SEC and with securities regulators in Canada are available on our website at https://bep.brookfield.com, on the SEC’s website at www.sec.gov or on SEDAR’s website at www.sedar.com.

Letter to Unitholders

The business performed well in the second quarter as we continued to deliver strong availability rates, advance our development and operating initiatives and benefit from recent acquisitions. This was achieved despite lower than expected generation. With liquidity of $1.7 billion at quarter end, an investment grade balance sheet and no near-term material maturities, we are well positioned to execute on our investment and operating priorities.

Operating and Financial Results

We reported Funds From Operations (FFO) of $172 million or $0.55 per unit in the second quarter. The business continues to perform well across all regions, however we experienced low water levels in North America this quarter. On a normalized basis, we would have achieved FFO of $206 million this quarter, which represents year-over-year growth of 16% on a per unit basis, reflecting the continued strength of our operating business as well as contributions from recent acquisitions.

Our hydroelectric assets contributed $181 million of FFO. While hydrology remains close to long-term average levels in South America, we experienced lower rainfall in Ontario and New York impacting generation levels. During the quarter, we continued to focus on extending our contract profile at premium pricing. At PJM's recent capacity auction, we sold 964 megawatts into strong markets, securing $17 million of revenue (net to BEP) for the 2021/2022 delivery period – 70% higher than the prior year. In Colombia, we signed almost 20 new contracts with 5 to 10 year terms. In Brazil, we secured five new contracts at average pricing of approximately R$260 per megawatt-hour (~U.S.$70 per megawatt-hour). We also commissioned our 28 megawatt Brazilian Verde 4A hydroelectric facility.

Our wind segment delivered $34 million of FFO in the second quarter, $10 million ahead of prior year as we continue to benefit from new acquisitions and development projects coming online. At TerraForm Power, wind performance has been consistent with our expectations and we continued to progress outsourcing of the wind fleet's operations and maintenance, which is expected to drive meaningful operating cost savings over the next few years. Our Brazilian wind business continues to deliver very strong results with capacity factors consistently around 40%.

Our solar business delivered $16 million of FFO this quarter, as our global fleet continues to perform well, with strong availability across the portfolio. Our storage facilities delivered $7 million of FFO in the second quarter as these facilities continue to provide essential grid-stabilizing ancillary services and large-scale back-up capacity. At our First Hydro business, we continue to work with our partner to optimize asset operation, dispatch and trading.

We continue to pursue development across all business lines. We are currently advancing two hydro facilities in Brazil totaling 49 megawatts, two wind farms in Europe totaling 47 megawatts, and a 63 megawatt storage expansion project in the U.S. Our total equity investment in these projects is approximately $75 million, the majority of which has already been funded and all projects are advancing on scope, schedule and budget. Once completed, these assets should contribute an additional $20 million to our FFO.

Transaction Update

During the second quarter, we invested $450 million into growth and development initiatives. This includes our investment in additional shares of TerraForm Power bringing the total ownership between ourselves and our partners up to 65% (from 51%) and increasing BEP's interest from 16% to 30%. The share issuance from TerraForm Power was used to fund its acquisition of Saeta Yield – a high quality, stable 1,028 megawatt European solar and wind portfolio with a $1.2 billion equity valuation. Saeta's revenues are underpinned primarily by a stable regulated rate base in Spain which supports over 80% of the company's EBITDA and protects the business from production variability. The balance of the business' revenues are subject to long term power purchase agreements which exceed 16 years in term. Looking forward, the portfolio provides a number of operational and balance sheet enhancement opportunities which should provide meaningful margin expansion over time, consistent with our operations-oriented approach to investing.

We made our first investment in Europe five years ago with the acquisition of 320 megawatts of operating wind farms in Ireland. With this recent acquisition, we now have approximately 5,100 megawatts of operating and development assets throughout Europe and the U.K. and a diversified portfolio comprised of wind, solar and pumped hydro. We continue to see Europe as a strong growth market over the long term and accordingly, continue to grow our operating and development capabilities in the region across multiple technologies.

Balance Sheet and Capitalization

Factoring in recent investments, we ended the quarter with $1.7 billion of liquidity and continue to focus on strengthening our investment grade balance sheet. Our priorities remain the same: terming out our debt, extending maturities on a fixed rate basis, reducing borrowing costs and monetizing mature assets to redeploy capital into higher value opportunities.

During the quarter we extended the duration of our corporate credit facility to five years and executed $1.1 billion of refinancing initiatives across the portfolio. In the process, we increased the average duration of our asset level debt to over 10 years and lowered our interest costs by 25 basis points. We have minimal interest rate exposure having locked-in low, long-term rates over the last several years. As a result, today only 14% of our debt is floating rate, of which less than 8% is in North America and Europe.

We also advanced our capital recycling initiatives. Post quarter-end, we entered into an agreement to sell 100% of our 178 megawatt South African wind and solar portfolio for total proceeds of $166 million, with BEP's share totaling approximately $50 million. These assets were acquired as part of broader TerraForm Global portfolio in late 2017 and the sale will allow us to focus our investments on our core markets where we see considerable opportunity.

Investment Outlook

While the growth of renewables was initially driven by growing support for carbon reduction, with continued declines in the cost for newer renewables, adoption is increasingly being driven by economic rationale. Even with declines in subsidies for renewables, we continue to see higher renewables targets from governments around the world. These targets will require significant investment over the coming decades, and as subsidies decline or fall away, this opportunity will increasingly favor those investors who can drive value and enhance cash flows from operating expertise as opposed to financial or tax-driven buyers.

Accordingly, we continue to execute our long-term business plan of establishing strong operating and growth capabilities in our core markets across multiple technologies such that we can pursue acquisitions and development opportunities and integrate new assets efficiently. Over the last decade, we have grown our operating capabilities, built a global business, and have been patient, but opportunistic, in deploying capital. In the last five years, we have invested nearly $3.5 billion of capital into new opportunities globally, resulting in a portfolio of 8,000 megawatts of utility scale hydro, 6,000 megawatts of wind and solar facilities, and 3,000 megawatts of storage through our pumped hydro and battery facilities. In addition, we are now one of the largest owners of distributed solar generation in the United States and are targeting expanding this capability to key markets around the world.

Globally, over the last five years, approximately $1 trillion of capital has been invested into renewables and over 1 million megawatts of new renewables have been added to the global power market. This is equal to replacing the entire electrical capacity in the United States with renewable power. In spite of all of this, wind and solar still account for less than 8% of global power supply and even if one assumes current annual pace of investment of approximately $300 billion continues, the level of overall renewable penetration will remain modest for many years. We are in the early stages of a transformation of the global power grid, moving from fossil fuels to renewables. This will require significant investment over multiple decades. We estimate that replacing the non-renewable capacity in our core markets with wind and solar will require over $10 trillion of investment. Accordingly, the opportunity to invest and grow our business should be substantial for many decades.

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.

Sincerely,

Sachin Shah

Chief Executive Officer

August 3, 2018

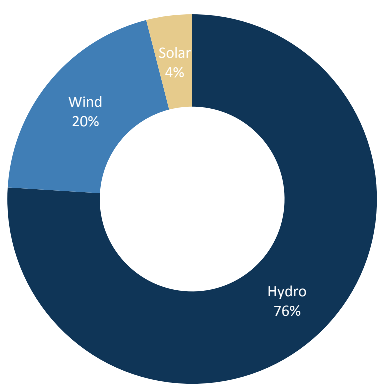
OUR COMPETITIVE STRENGTHS

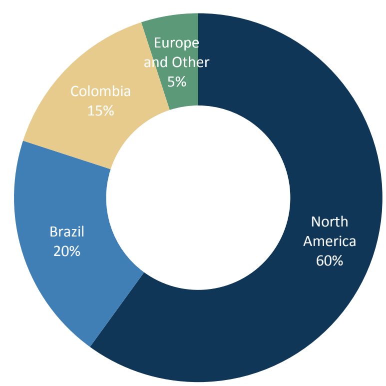
Brookfield Renewable Partners L.P. ("Brookfield Renewable") is a globally diversified, multi-technology, owner and operator of renewable power assets.

Our business model is to utilize our global reach to acquire and develop high quality renewable power assets below intrinsic value, finance them on a long-term, low-risk and investment grade basis through a conservative financing strategy and then optimize cash flows by applying our operating expertise to enhance value.

One of the largest, public pure play renewable businesses globally. Brookfield Renewable operates and invests in a large, multi-technology and globally diversified portfolio. Brookfield Renewable invests in renewable assets directly, as well as with institutional partners, joint venture partners and in other arrangements. Our portfolio consists of approximately 17,400 MW of installed capacity largely across four continents, a development pipeline of approximately 8,000 MW, and annualized long-term average generation on a proportionate basis of 26,779 GWh.

The following charts illustrate annualized long-term average generation on a proportionate basis:





Diverse and high quality assets with hydroelectric focus. Brookfield Renewable has a complementary portfolio of hydroelectric, wind, solar and storage facilities. Our portfolio includes utility-scale facilities, back-up storage power, and distributed power generation. Hydroelectric power comprises the significant majority of our portfolio, and is the highest value renewable asset class as one of the longest life, lowest-cost and most environmentally-preferred forms of power generation. Hydroelectric plants have high cash margins, storage capacity with the capability to produce power at all hours of the day, and the ability to sell multiple products in the market including energy, capacity and ancillaries. Our wind and solar facilities provide exposure to two of the fastest growing renewable power sectors, with high cash margins, zero fuel input cost, and diverse and scalable applications including distributed generation. Our storage facilities provide the markets in which they are located with critical services to the grid and dispatchable generation. With our scale, diversity and the quality of our assets, we are competitively positioned relative to other power generators, providing significant scarcity value to our investors.

Stable, high quality cash flows with attractive long-term value for LP Unitholders. We intend to maintain a highly stable, predictable cash flow profile sourced from a diversified portfolio of low operating cost, long-life hydroelectric, wind and solar assets that sell electricity under long-term, fixed price contracts with creditworthy counterparties. Approximately 90% of our 2019 proportionate generation output is contracted to public power authorities, load-serving utilities, industrial users or to affiliates of Brookfield Asset Management. Our power purchase agreements have a weighted-average remaining duration of 15 years, on a proportionate basis, providing long-term cash flow visibility.

Strong financial profile and conservative financing strategy. Brookfield Renewable maintains a robust balance sheet and access to global capital markets to ensure cash flow resiliency through the cycle. Our debt to total capitalization is 39% and 73% of our borrowings are non-recourse. Corporate borrowings and subsidiary borrowings have weighted-average terms of approximately six and ten years, respectively. Our available liquidity as at June 30, 2018 is approximately $1.7 billion of cash and cash equivalents, investment in equity and debt securities and the available portions of credit facilities.

Well positioned for cash flow growth. We are focused on driving cash flow growth from existing operations, fully funded by internally generated cash flow, including inflation escalations in our contracts, margin expansion through revenue growth and cost reduction initiatives, and building out our approximately 8,000 MW proprietary development pipeline at premium returns. While we do not rely on acquisitions to achieve our growth targets, our business has upside from mergers and acquisitions on an opportunistic basis. We employ a contrarian strategy, and look for capital scarcity to earn strong returns. We take a disciplined approach to allocating capital into development and acquisitions with a focus on downside protection and preservation of capital. Over the last ten years, we have invested in, acquired, or commissioned 63 hydroelectric facilities totaling approximately 4,800 MW, 103 wind facilities totaling approximately 4,200 MW, 544 solar facilities totaling approximately 1,800 MW, four biomass facilities totaling 175 MW, two hydroelectric pumped storage facilities and one battery storage asset totaling 2,098 MW and one 300 MW cogeneration plant. Our ability to develop and acquire assets is strengthened by our established operating and project development teams, strategic relationship with Brookfield Asset Management, and our liquidity and capitalization profile. We have, in the past, and may continue in the future to pursue the acquisition or development of assets through arrangements with institutional investors in Brookfield Asset Management sponsored or co-sponsored partnerships.

Attractive distribution profile. We pursue a strategy which we expect will provide for highly stable, predictable cash flows sourced from predominantly long-life hydroelectric assets ensuring a sustainable distribution yield. We target a long-term distribution payout ratio of approximately 70% of Funds From Operations and a long-term distribution growth rate in a range of 5% to 9% annually.

Management's Discussion and Analysis
For the three and six months ended June 30, 2018

This Management's Discussion and Analysis for the three and six months ended June 30, 2018 is provided as of August 3, 2018. Unless the context indicates or requires otherwise, the terms "Brookfield Renewable", "we", "us", and "our" mean Brookfield Renewable Partners L.P. and its controlled entities. The ultimate parent of Brookfield Renewable is Brookfield Asset Management Inc. ("Brookfield Asset Management"). Brookfield Asset Management and its subsidiaries, other than Brookfield Renewable, are also individually and collectively referred to as "Brookfield" in this Management's Discussion and Analysis.

Brookfield Renewable's consolidated equity interests include the non-voting publicly traded limited partnership units ("LP Units") held by public unitholders and Brookfield, redeemable/exchangeable partnership units held by Brookfield ("Redeemable/Exchangeable partnership units"), in Brookfield Renewable Energy L.P. ("BRELP") a holding subsidiary of Brookfield Renewable, and general partnership interest ("GP interest") in BRELP held by Brookfield. Holders of the GP interest, Redeemable/Exchangeable partnership units, and LP Units will be collectively referred to throughout as "Unitholders", "Units", or as "per Unit", unless the context indicates or requires otherwise. The LP Units and Redeemable/Exchangeable partnership units have the same economic attributes in all respects. See – "PART 8 - Presentation to Stakeholders and Performance Measurement".

Brookfield Renewable's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), which require estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the amounts of revenue and expense during the reporting periods.

Certain comparative figures have been reclassified to conform to the current year's presentation.

References to \$, C\$, €, R\$, £, COP, and ZAR are to United States ("U.S.") dollars, Canadian dollars, Euros, Brazilian reais, British pounds sterling, Colombian pesos, and South African Rand, respectively. Unless otherwise indicated, all dollar amounts are expressed in U.S. dollars.

For a description on our operational and segmented information and for the non-IFRS financial measures we use to explain our financial results see "PART 8 – Presentation to Stakeholders and Performance Measurement". For a reconciliation of the non-IFRS financial measures to the most comparable IFRS financial measures, see "PART 4 – Financial Performance Review on Proportionate Information – Reconciliation of non-IFRS measures". This Management's Discussion and Analysis contains forward looking information within the meaning of U.S. and Canadian securities laws. Refer to – "PART 9 - Cautionary Statements" for cautionary statements regarding forward-looking statements and the use of non-IFRS measures. Our Annual Report and additional information filed with the Securities Exchange Commission ("SEC") and with securities regulators in Canada are available on our website (https://bep.brookfield.com), on the SEC's website (www.sec.gov/edgar.shtml), or on SEDAR (www.sedar.com).

Organization of the Management's Discussion and Analysis

PART 1 – Q2 2018 HIGHLIGHTS

(MILLIONS, EXCEPT AS NOTED)	Three months ended Jun 30 2018	Three months ended Jun 30 2017	Six months ended Jun 30 2018	Six months ended Jun 30 2017
Operational information				
Capacity (MW)	17,364	10,621	17,364	10,621
Total generation (GWh)				
Long-term average generation	13,521	10,674	26,373	21,038
Actual generation	13,122	11,618	26,002	22,102
Proportionate generation (GWh)				
Long-term average generation	6,935	6,277	13,286	12,166
Actual generation	6,455	6,719	13,149	12,880
Average revenue ($ per MWh)	73	66	74	68
Selected financial information[1]				
Net (Loss) income attributable to Unitholders	**$ (2)**	**$ 38**	**$ 6**	**$ 54**
Basic (loss) earnings per LP Unit	**(0.01)**	**0.13**	**0.02**	**0.18**
Consolidated Adjusted EBITDA[2]	543	460	1,125	916
Proportionate Adjusted EBITDA[2]	324	312	675	614
Funds From Operations[2]	172	181	365	347
Adjusted Funds From Operations[2]	154	164	329	313
Funds From Operations per Unit[1][2]	0.55	0.61	1.17	1.16
Distribution per LP Unit	0.49	0.47	0.98	0.94

(1) For the three and six months ended June 30, 2018, weighted average LP Units, Redeemable/Exchangeable partnership units and GP interest totaled 312.8 million and 312.7 million, respectively (2017: 299.2 million and 299.2 million).

(2) Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure. See “PART 4 - Financial Performance Review on Proportionate Information - Reconciliation of Non-IFRS Measures” and “PART 9 - Cautionary Statements”.

(MILLIONS, EXCEPT AS NOTED)	Jun 30 2018	Dec 31 2017
Liquidity and Capital Resources		
Available liquidity	$ 1,666	$ 1,697
Debt to capitalization	39%	39%
Proportionate borrowings non-recourse to Brookfield Renewable	73%	70%
Floating rate debt exposure on a proportionate basis	14%	13%
Corporate borrowings		
Average debt term to maturity	5.9 years	6.4 years
Average interest rate	4.5%	4.5%
Subsidiary borrowings on a proportionate basis		
Average debt term to maturity	10.2 years	10.5 years
Average interest rate	5.5%	5.8%

Operations

Funds From Operations decreased 5% to $172 million as the contribution from the growth in our portfolio, relatively higher realized prices and cost-reduction initiatives were more than offset by lower generation at our North American hydroelectric facilities due to weak hydrology (11% below long term average and 18% lower than prior year where we experienced higher than average generation).

Funds From Operations per Unit of $0.55 decreased 10% from the prior year.

Year to date Funds From Operations were 5% above prior year as the contributions from growth in our portfolio, higher realized prices and cost-reduction initiatives were partially offset by same-store generation that was 5% below prior year and 1% below long-term average.

Net income attributable to Unitholders decreased $40 million compared to the prior year due primarily to the above noted decrease in Funds From Operations and an increase in depreciation associated with the growth of our portfolio. Basic loss per LP Unit of $0.01 per LP Unit decreased from $0.13 per LP Unit in the prior year primarily due to the decreases mentioned above.

Continued to focus on extending our contract profile at premium pricing as we completed the following:

- In Colombia, we entered into 19 new contracts during the quarter with 5 to 10 year terms
- Entered into five new contracts during the quarter in Brazil representing 91 GWh of annual generation at an average price of R$ 254/MWh
- Cleared 964 MW in the most recent PJM capacity auction at a price of $4.26/KW-mo, securing $17 million of proportionate revenue for the 2021/2022 delivery period – 70% higher than the prior year

Liquidity and Capital Resources

Liquidity remains strong with $1.7 billion available at quarter-end.

Executed $1.1 billion of non-recourse financings in the quarter, reducing our weighted-average cost of project debt to 5.5% while maintaining the weighted average duration of our project debt above 10 years.

Minimal interest rate exposure with only 14% floating rate debt with less than 8% in North America and Europe.

Post quarter-end, we entered into an agreement to sell 100% of our 178 MW South African wind and solar portfolio for total proceeds of $166 million (ZAR 2,031 million), with Brookfield Renewable's share totaling approximately $50 million. Transaction is expected to close by the fourth quarter of 2018, subject to closing conditions.

Growth and Development

Deployed $420 million to increase our interest in TerraForm Power Inc. ("TerraForm Power") from 16% to 30%. TerraForm Power used the proceeds of its $650 million equity offering, along with other sources of capital, to acquire Saeta Yield, S.A. ("Saeta Yield"), a 1,028 MW European solar and wind portfolio.

Completed the commissioning of a 28 MW hydro project in Brazil and continued to advance an additional 160 MW of hydro, wind, and storage development projects.

PART 2 – FINANCIAL PERFORMANCE REVIEW ON CONSOLIDATED INFORMATION

The following table reflects key financial data for the three months ended June 30:

(MILLIONS, EXCEPT AS NOTED)	2018	2017
Revenues	$ 735	$ 683
Other income	10	10
Direct operating costs	(247)	(240)
Management service costs	(21)	(21)
Interest expense – borrowings	(178)	(156)
Depreciation	(206)	(198)
Current income tax (expense) recovery	(7)	4
Deferred income tax expense	(4)	(16)
Net (loss) income attributable to Unitholders	$ (2)	$ 38
	Average FX rates to USD	
C$	1.29	1.34
€	0.84	0.91
R$	3.61	3.21
£	0.74	0.78
COP	2,839	2,920

Variance Analysis For The Three Months Ended June 30, 2018

For the three months ended June 30, 2018, we reported net loss attributable to Unitholders of $2 million compared to net income attributable to Unitholders of $38 million for the three months ended June 30, 2017.

Revenues totaling $735 million in the three months ended June 30, 2018 represents an increase of $52 million over the prior year as the contribution from growth in our portfolio, both through our recent investments and development projects, and higher realized average revenues was partially offset by lower generation at our North American hydroelectric facilities. Growth contributed 2,739 GWh and $69 million to revenues and was partially offset by the $60 million impact from the decrease in consolidated generation on same-store basis by 1,229 GWh or 11% due primarily to weaker hydrology in North America ($47 million – 8% below long-term average). Higher average realized revenues primarily due to the benefit of inflation indexation in our contracts, improved realized prices on our merchant exposure across our portfolio and increased capacity revenues in North America cumulatively contributed $41 million. Foreign currency movements positively impacted our revenues by $2 million as the appreciation of the Canadian dollar and Colombian peso versus the U.S. dollar was only partially offset by the depreciation of the Brazilian reais. The impact of these foreign currency movements also affected operating and borrowing costs.

Direct operating costs totaling $247 million represent an increase of $7 million over the prior year. The growth in our portfolio increased operating costs by $14 million and, on a same-store basis, operating costs were $9 million lower as we continue to benefit from our cost-reduction initiatives. The foreign exchange impacts noted above increased operating costs by $2 million.

Interest and depreciation expense totaling $178 million and $206 million, respectively, represent increases primarily attributable to growth of $22 million and $8 million, respectively, over the prior year.

Management service costs totaling $21 million were consistent with the prior year.

The following table reflects key financial data for the six months ended June 30:

(MILLIONS, EXCEPT AS NOTED)	2018	2017
Revenues	$ 1,528	$ 1,360
Other income	19	18
Direct operating costs	(503)	(473)
Management service costs	(42)	(37)
Interest expense – borrowings	(358)	(319)
Depreciation	(419)	(398)
Current income tax expense	(14)	(12)
Deferred income tax expense	(13)	(21)
Net income attributable to Unitholders	$ 6	$ 54
	Average FX rates to USD	
C$	1.28	1.33
€	0.83	0.92
R$	3.42	3.18
£	0.73	0.79
COP	2,849	2,920

Variance Analysis For The Six Months Ended June 30, 2018

For the six months ended June 30, 2018, we reported a net income attributable to Unitholders of $6 million compared to a net income attributable to Unitholders of $54 million for the six months ended June 30, 2017.

Revenues totaling $1,528 million for the six months ended June 30, 2018 represent an increase of $168 million over the same period in the prior year. The contributions from the growth in our portfolio, both through out recent investments and development projects, and higher realized average revenues across our portfolio were partially offset by slightly lower generation at our North American hydroelectric facilities. The growth in our portfolio over the last 12 months which contributed 5,157 GWh or $136 million to our revenues was partially offset by the impact from the sale of a European wind farm in 2017 that contributed $8 million or 75 GWh in the same period of the prior year. Revenue from our existing facilities was $65 million lower than prior year due primarily to lower hydrology in North America ($51 million – 1% below long-term average and 6% lower than the prior year to date which benefitted from strong hydrology of 6% above long-term average). Average realized pricing increased revenues by $89 million primarily due to improved realized prices on our merchant exposure in the portfolio, the benefit of inflation indexation of our contracts across our portfolio and higher capacity revenues in North America. The depreciation of the U.S. dollar against most of the foreign currencies in which we operate contributed $16 million to revenues and also affected operating and borrowing costs.

Direct operating costs totaling $503 million represent an increase of $30 million driven by the growth in our portfolio. Excluding one-time cost recoveries of $10 million in the prior year, operating costs were $16 million lower on a same-store basis due to the benefit of our cost-reduction initiatives implemented across our businesses. The above noted foreign exchange impacts increased operating costs by $6 million.

Interest and depreciation expense totaling $358 million and $419 million, respectively, represent increases of $39 million and $21 million, respectively, over the prior year. The increase is primarily attributable to the growth in our portfolio.

Management service costs totaling $42 million represent an increase of $5 million, which is primarily attributable to the growth in capitalization of our business over the last year.

PART 3 - ADDITIONAL CONSOLIDATED FINANCIAL INFORMATION

SUMMARY CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table provides a summary of the key line items on the unaudited interim consolidated statements of financial position:

(MILLIONS)	Jun 30 2018	Dec 31 2017
Current assets	$ 1,833	$ 1,666
Assets held for sale	799	-
Equity-accounted investments	1,123	721
Property, plant and equipment, at fair value	25,774	27,096
Goodwill	918	901
Total assets	30,090	30,904
Liabilities directly associated with assets held for sale	563	-
Long-term debt and credit facilities	10,974	11,766
Deferred income tax liabilities	3,575	3,588
Total liabilities	16,364	16,622
Total equity	13,726	14,282
Total liabilities and equity	30,090	30,904

Our balance sheet remains strong and reflects the stable nature of the business and the integration of recent growth.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment totaled $25.8 billion as at June 30, 2018 compared to $27.1 billion as at December 31, 2017. Upon entering into an agreement to sell 178 MW of wind and solar assets in South Africa, we reclassified $651 million to assets held for sale on the Statement of Financial Position. The appreciation of the U.S. dollar decreased property, plant and equipment by $712 million and was largely attributable to assets in Brazil and Canada. We also recognized depreciation expense of $419 million which is significantly higher than what we are required to reinvest in the business as sustaining capital expenditures.

EQUITY-ACCOUNTED INVESTMENTS

Equity accounted investments totaled $1,123 million as at June 30, 2018 compared to $721 million as at December 31, 2017. During the quarter, TerraForm Power closed the acquisition and privatization of Saeta Yield – a 1,028 MW European solar and wind portfolio. TerraForm Power funded its acquisition of Saeta Yield through available liquidity and asset-level financing initiatives, as well as through issuing additional equity totaling $650 million, of which Brookfield Renewable contributed $420 million. The additional equity acquired through the private placement increased the collective interest of Brookfield Renewable and its institutional partners in TerraForm Power from 51% to 65%, with Brookfield Renewable’s interest increasing from 16% to 30%.

ASSETS HELD FOR SALE

Post quarter-end, we entered into an agreement to sell 100% of our 178 MW South African wind and solar portfolio for total proceeds of $166 million (ZAR 2,031 million), with Brookfield Renewable’s share totaling approximately $50 million. The transaction is expected to close by the fourth quarter of 2018, subject to the satisfaction of closing conditions. We reclassified the associated assets, including the aforementioned $651 million of Property, plant and equipment, to Assets held for sale on the Statement of Financial Position. We also reclassified the directly associated liabilities, including $378 million of long-term debt, to Liabilities directly associated with assets held for sale on the Statement of Financial Position.

RELATED PARTY TRANSACTIONS

Brookfield Renewable's related party transactions are in the normal course of business, and are recorded at the exchange amount. Brookfield Renewable's related party transactions are primarily with Brookfield Asset Management.

Brookfield Renewable sells electricity to Brookfield through long-term power purchase agreements to provide contracted cash flow and reduce Brookfield Renewable's exposure to electricity prices in deregulated power markets. Brookfield Renewable also benefits from a wind levelization agreement with Brookfield which reduces the exposure to the fluctuation of wind generation at certain facilities and thus improves the stability of its cash flow.

In addition to these agreements, Brookfield Renewable and Brookfield have executed other agreements that are described in Note 19 - Related Party Transactions in our unaudited interim consolidated financial statements.

Brookfield Renewable has also entered into a number of voting agreements with Brookfield whereby Brookfield, as managing member of entities related to Brookfield Americas Infrastructure Fund, Brookfield Infrastructure Fund II and Brookfield Infrastructure Fund III, in which Brookfield Renewable holds investments in power generating operations with institutional partners, agreed to provide to Brookfield Renewable the authority to direct the election of the Boards of Directors of such entities.

Brookfield Renewable has entered into agreements with Brookfield Americas Infrastructure Fund, Brookfield Infrastructure Fund II, Brookfield Infrastructure Fund III and Brookfield Infrastructure Debt Fund ("Private Funds"), in which they provide Brookfield Renewable with access to short-term financing using the Private Funds' credit facilities.

There was a draw for the full amount of $400 million on the committed unsecured revolving credit facility provided by Brookfield Asset Management. Brookfield Asset Management had also placed funds on deposit with Brookfield Renewable in the amount of $200 million during the second quarter of 2018. The interest expense on the draws from the credit facility and the deposit for the three and six months ended June 30, 2018 totaled $3 million and $5 million (2017: $nil and $1 million). Subsequent to June 30, 2018, the $200 million funds on deposit and $128 million of the unsecured revolving credit facility, plus accrued interest, was returned and repaid to Brookfield Asset Management.

The following table reflects the related party agreements and transactions in the unaudited interim consolidated statements of income:

(MILLIONS)	Three months ended Jun 30 2018	2017	Six months ended Jun 30 2018	2017
Revenues				
Power purchase and revenue agreements	$ 134	$ 176	$ 274	$ 326
Wind levelization agreement	3	2	4	3
	$ 137	$ 178	$ 278	$ 329
Direct operating costs				
Energy purchases	$ (3)	$ (2)	$ (5)	$ (5)
Energy marketing fee	(6)	(6)	(12)	(12)
Insurance services	(7)	(5)	(13)	(10)
	$ (16)	$ (13)	$ (30)	$ (27)
Interest expense - borrowings	$ (3)	$ -	$ (5)	$ (1)
Management service costs	$ (21)	$ (21)	$ (42)	$ (37)

EQUITY

General partnership interest in a holding subsidiary held by Brookfield

Brookfield, as the owner of the 1% GP interest in BRELP, is entitled to regular distributions plus an incentive distribution based on the amount by which quarterly LP Unit distributions exceed specified target levels. To the extent that LP Unit distributions exceed $0.375 per LP Unit per quarter, the incentive is 15% of distributions above this threshold. To the extent that LP Unit distributions exceed $0.4225 per LP Unit per quarter, the incentive distribution is equal to 25% of distributions above this threshold. Incentive distributions of $10 million and $20 million, respectively, were declared during the three and six months ended June 30, 2018 (2017: $7 million and $15 million).

Preferred limited partners' equity

In January 2018, Brookfield Renewable issued 10,000,000 Class A, Series 13 Preferred Limited Partnership Units (the "Series 13 Preferred Units") at a price of C$25 per unit for gross proceeds of C$250 million ($201 million). The holders of the Series 13 Preferred Units are entitled to receive a cumulative quarterly fixed distribution yielding 5.0% for the initial period ending April 30, 2023. Thereafter, the distribution rate will be reset every five years at a rate equal to the greater of: (i) the 5-year Government of Canada bond yield plus 3.00%, and (ii) 5.00%.

The holders of Series 13 Preferred Units will have the right, at their option, to reclassify their Series 13 Preferred Units into Class A Preferred Limited Partnership Units, Series 14 (the "Series 14 Preferred Units"), subject to certain conditions, on April 30, 2023 and on April 30 every five years thereafter. The holders of Series 14 Preferred Units will be entitled to receive floating rate cumulative preferential cash distributions equal to the 90-day Canadian Treasury Bill Rate plus 3.00%.

The Preferred LP Units do not have a fixed maturity date and are not redeemable at the option of the holders. As at June 30, 2018, none of the Class A Preferred LP Units have been redeemed by Brookfield Renewable.

Limited partners' equity

Brookfield Asset Management owns, directly and indirectly 185,727,567 LP Units and Redeemable/Exchangeable partnership units, representing approximately 60% of Brookfield Renewable on a fully-exchanged basis and the remaining approximately 40% is held by public investors.

In December 2017, Brookfield Renewable renewed its normal course issuer bid in connection with its LP Units. Under this normal course issuer bid Brookfield Renewable is permitted to repurchase up to 9 million LP Units, representing approximately 5% of the issued and outstanding LP Units, for capital management purposes. The bid will expire on December 28, 2018, or earlier should Brookfield Renewable complete its repurchases prior to such date. Unitholders may receive a copy of the notice, free of charge, by contacting Brookfield Renewable. During the three and six months ended June 30, 2018, Brookfield Renewable re-purchased 272,659 and 281,359 LP Units, respectively on the Toronto Stock Exchange and New York Stock Exchange at a total cost of $8 million.

PART 4 – FINANCIAL PERFORMANCE REVIEW ON PROPORTIONATE INFORMATION

SEGMENTED DISCLOSURES

Segmented information is prepared on the same basis that Brookfield Renewable's chief operating decision maker ("CODM") manages the business, evaluates financial results, and makes key operating decisions. See "Part 8 – Presentation to Stakeholders and Performance Measurement" for information on segments and an explanation on the calculation and relevance of proportionate information.

PROPORTIONATE RESULTS FOR THE THREE MONTHS ENDED JUNE 30

The following chart reflects the generation and summary financial figures on a **proportionate** basis for the three months ended June 30:

	(GWh)				(MILLIONS)							
	Actual Generation		LTA Generation		Revenues		Adjusted EBITDA		Funds From Operations		Net Income (Loss)	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Hydroelectric												
North America	3,413	4,186	3,822	3,822	$ 228	$ 270	$ 165	$ 199	$ 123	$ 158	$ 56	$ 82
Brazil	902	886	978	968	63	66	44	51	37	45	2	6
Colombia	872	998	844	846	53	46	31	24	21	15	18	11
	5,187	6,070	5,644	5,636	344	382	240	274	181	218	76	99
Wind												
North America	663	434	791	496	54	40	38	31	24	20	(6)	7
Europe	107	94	133	103	12	9	7	4	3	2	(2)	(4)
Brazil	159	51	146	42	10	5	8	3	6	2	(5)	1
Other	37	-	42	-	3	-	2	-	1	-	(3)	-
	966	579	1,112	641	79	54	55	38	34	24	(16)	4
Solar	175	-	179	-	30	-	25	-	16	-	2	-
Storage & Other	127	70	-	-	20	11	10	4	7	(1)	1	(3)
Corporate	-	-	-	-	-	-	(6)	(4)	(66)	(60)	(65)	(62)
Total	6,455	6,719	6,935	6,277	$ 473	$ 447	$ 324	$ 312	$ 172	$ 181	$ (2)	$ 38

HYDROELECTRIC OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for hydroelectric operations for the three months ended June 30:

(MILLIONS, EXCEPT AS NOTED)	2018	2017
Generation (GWh) – LTA	5,644	5,636
Generation (GWh) – actual	5,187	6,070
Revenue	$ 344	$ 382
Other income	6	4
Direct operating costs	(110)	(112)
Adjusted EBITDA	240	274
Interest expense	(55)	(57)
Current income taxes	(4)	1
Funds From Operations	$ 181	$ 218
Depreciation	(94)	(98)
Deferred taxes and other	(11)	(21)
Net income	$ 76	$ 99

The following table presents our proportionate results by geography for hydroelectric operations for the three months ended June 30:

	Actual Generation (GWh)		Average revenue per MWh		Adjusted EBITDA		Funds From Operations		Net Income	
(MILLIONS, EXCEPT AS NOTED)	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
North America										
United States	2,156	2,496	$ 71	$ 67	$ 103	$ 118	$ 78	$ 93	$ 29	$ 40
Canada	1,257	1,690	60	60	62	81	45	65	27	42
	3,413	4,186	67	65	165	199	123	158	56	82
Brazil	902	886	70	74	44	51	37	45	2	6
Colombia	872	998	61	46	31	24	21	15	18	11
Total	5,187	6,070	$ 66	$ 63	$ 240	$ 274	$ 181	$ 218	$ 76	$ 99

Funds From Operations at our hydroelectric business were $181 million compared to $218 million in the prior year. Generation at our North American facilities was impacted by weak hydrology (11% below long-term average) causing a 15% decrease compared to the second quarter of 2017 when we benefitted from generation that was 10% above long-term average. The average revenue per MWh of our hydroelectric business increased 5% due primarily to higher capacity prices in the United States and higher average realized pricing in Colombia. The cost-reduction initiatives across our hydroelectric businesses contributed $5 million to Funds From Operations.

Net income attributable to Unitholders decreased by $23 million over the prior year primarily due to the above noted decrease in Funds From Operations.

North America

Funds From Operations at our North American business were $123 million versus $158 million in the prior year. Generation was 11% below long-term average and 18% lower than prior year, where we experienced higher than average generation (10% above long-term average). Average revenue per MWh increased 3% due primarily to higher capacity prices in the U.S. Northeast. Operating costs were lower than the prior year as we continued to execute our cost-reduction initiatives.

Net income attributable to Unitholders decreased $26 million over the prior year primarily due to the above noted decrease in Funds From Operations.

Brazil

Funds From Operations at our Brazilian business were $37 million versus $45 million in the prior year as contribution from our development projects and higher average revenue per MWh in local currency from inflation indexation of our contracts was offset by the stronger U.S. dollar.

Net income attributable to Unitholders decreased by $4 million over the prior year primarily due to the above noted decrease in Funds From Operations.

Colombia

Funds From Operations at our Colombian business were $21 million versus $15 million in the prior year as a 33% increase in average revenue per MWh due to inflation indexation of our contracts, re-contracting efforts in our portfolio and higher market prices was partially offset by generation that was 13% below prior year. Operating costs were lower than the prior year as we continued to execute our cost-reduction initiatives.

Net income attributable to Unitholders was $7 million ahead of the prior year primarily due to the above noted increase in Funds From Operations.

WIND OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for wind operations for the three months ended June 30:

(MILLIONS, EXCEPT AS NOTED)		2018		2017
Generation (GWh) – LTA		1,112		641
Generation (GWh) – actual		966		579
Revenue	$	79	$	54
Other income		1		-
Direct operating costs		(25)		(16)
Adjusted EBITDA		55		38
Interest expense		(20)		(14)
Current income taxes		(1)		-
Funds From Operations	$	34	$	24
Depreciation		(42)		(26)
Deferred taxes and other		(8)		6
Net (loss) income	$	(16)	$	4

The following table presents our proportionate results by geography for wind operations for the three months ended June 30:

	Actual Generation (GWh)		Average revenue per MWh		Adjusted EBITDA		Funds From Operations		Net Income	
(MILLIONS, EXCEPT AS NOTED)	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
North America										
United States	416	152	$ 77	$ 105	$ 20	$ 12	$ 12	$ 7	$ (4)	$ (1)
Canada	247	282	89	85	18	19	12	13	(2)	8
	663	434	81	92	38	31	24	20	(6)	7
Europe	107	94	112	92	7	4	3	2	(2)	(4)
Brazil	159	51	63	89	8	3	6	2	(5)	1
Other	37	-	71	-	2	-	1	-	(3)	-
Total	966	579	$ 81	$ 92	$ 55	$ 38	$ 34	$ 24	$ (16)	$ 4

Funds From Operations from our wind business were $34 million versus $24 million in the prior year primarily due to contributions from our development projects in Europe and our investments in TerraForm Power and TerraForm Global.

Net income attributable to Unitholders decreased by $20 million over the prior year as the increase in Funds From Operations was more than offset by an increase in depreciation associated with the growth of our portfolio and foreign exchange.

North America

Funds From Operations at our North American business were $24 million versus $20 million in the prior year. The improved generation across our U.S. portfolio and the contributions from growth due to our investments in TerraForm Power was partially offset by lower generation at our wholly-owned Canadian wind farms.

Net income attributable to Unitholders decreased by $13 million as the prior year primarily due to an increase in depreciation associated with the growth of our portfolio.

Europe

Funds From Operations at our European business were $3 million versus $2 million in the prior year due primarily to the contribution from growth in our portfolio – $2 million of Funds From Operations and 25 GWh of generation. On a same store basis, Funds From Operations decreased year over year as improved realized pricing was more than offset by a 12% decrease in generation due to lower wind resources.

Net loss attributable to Unitholders increased by $2 million over the prior year due to the above noted increases in Funds From Operations.

Brazil

Funds From Operations at our Brazilian business were $6 million versus $2 million in the prior year due primarily to contribution from our investment in TerraForm Global – $4 million of Funds From Operations or 108 GWh of generation. On a same-store basis, Funds From Operations was consistent year over year as higher average revenue per MWh due to re-contracting initiatives executed earlier in the year was offset by the stronger U.S. dollar.

Net loss attributable to Unitholders decreased by $6 million over the prior year as the above noted increase in Funds From Operations was offset by foreign exchange and an increase in depreciation associated with the growth of our portfolio.

SOLAR OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for solar operations for the three months ended June 30:

(MILLIONS, EXCEPT AS NOTED)		2018		2017
Generation (GWh) – LTA		179		-
Generation (GWh) – actual		175		-
Revenue	$	30	$	-
Other income		1		-
Direct operating costs		(6)		-
Adjusted EBITDA		25		-
Interest expense		(9)		-
Current income taxes		-		-
Funds From Operations	$	16	$	-
Depreciation		(7)		-
Deferred taxes and other		(7)		-
Net income	$	2	$	-

Funds From Operations and Net Income attributable to Unitholders from our solar business were $16 million and $2 million, respectively. The business is operating in line with expectations following the close of our acquisitions of TerraForm Power and TerraForm Global in the fourth quarter of the prior year. Generation of 175 GWh was in-line with long-term average.

STORAGE AND OTHER OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for storage and other operations for the three months ended June 30:

(MILLIONS, EXCEPT AS NOTED)		2018		2017
Generation (GWh) – actual		127		70
Revenue	$	20	$	11
Other income		-		-
Direct operating costs		(10)		(7)
Adjusted EBITDA		10		4
Interest expense		(3)		(5)
Current income taxes		-		-
Funds From Operations	$	7	$	(1)
Depreciation		(6)		(6)
Deferred taxes and other		-		4
Net loss	$	1	$	(3)

Funds From Operations and Net Income attributable to Unitholders at our pumped storage and biomass business were $7 million and $1 million, respectively. The increase of $8 million and $4 million, respectively, is primarily due to improved performance at our pumped storage facility in New England supported by improved capacity pricing and generation.

CORPORATE

The following table presents our results for corporate for the three months ended June 30:

(MILLIONS, EXCEPT AS NOTED)	2018	2017
Revenue	$ -	$ -
Other income	-	1
Direct operating costs	(6)	(5)
Adjusted EBITDA	(6)	(4)
Management service costs	(21)	(21)
Interest expense	(23)	(22)
Distributions on Preferred LP Units and Shares	(16)	(13)
Funds From Operations	$ (66)	$ (60)
Deferred taxes and other	1	(2)
Net (loss)	$ (65)	$ (62)

Distributions attributable to Preferred LP Units increased $3 million compared to the prior year as a result of the C$250 million ($201 million) issuance completed in the first quarter of 2018.

RECONCILIATION OF NON-IFRS MEASURES

The following table reflects Adjusted EBITDA, Funds From Operations and provides reconciliation to net income (loss) for the three months ended June 30, 2018:

	Attributable to Unitholders											Contribution from equity accounted investments	Attributable to non-controlling interests	As per IFRS financials[1]
	Hydroelectric			Wind				Solar	Storage and Other	Corporate	Total			
($ MILLIONS)	North America	Brazil	Colombia	North America	Europe	Brazil	Other							
Revenues	228	63	53	54	12	10	3	30	20	-	473	(58)	320	735
Other income	5	1	-	-	1	-	-	1	-	-	8	(2)	4	10
Direct operating costs	(68)	(20)	(22)	(16)	(6)	(2)	(1)	(6)	(10)	(6)	(157)	19	(109)	(247)
Share of Adjusted EBITDA from equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	41	4	45
Adjusted EBITDA	165	44	31	38	7	8	2	25	10	(6)	324	-	219	
Management service costs	-	-	-	-	-	-	-	-	-	(21)	(21)	-	-	(21)
Interest expense - borrowings	(40)	(5)	(10)	(14)	(3)	(2)	(1)	(9)	(3)	(23)	(110)	16	(84)	(178)
Current income taxes	(2)	(2)	-	-	(1)	-	-	-	-	-	(5)	1	(3)	(7)
Distributions attributable to														
Preferred limited partners equity	-	-	-	-	-	-	-	-	-	(10)	(10)	-	-	(10)
Preferred equity	-	-	-	-	-	-	-	-	-	(6)	(6)	-	-	(6)
Share of interest and cash taxes from equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	(17)	(4)	(21)
Share of Funds From Operations attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(128)	(128)
Funds From Operations	123	37	21	24	3	6	1	16	7	(66)	172	-	-	
Adjusted sustaining capital expenditures[2]	(13)	(1)	(2)	-	-	-	-	-	-	(2)	(18)	-	-	
Adjusted Funds From Operations	110	36	19	24	3	6	1	16	7	(68)	154	-	-	
Adjusted sustaining capital expenditures[2]	13	1	2	-	-	-	-	-	-	2	18	-	-	
Depreciation	(56)	(33)	(5)	(29)	(9)	(3)	(1)	(7)	(6)	-	(149)	17	(74)	(206)
Foreign exchange and unrealized financial instruments gain (loss)	(1)	(1)	4	3	6	(8)	(3)	(4)	-	5	1	(6)	(28)	(33)
Deferred income tax recovery (expense)	(2)	1	(2)	1	1	-	-	1	-	4	4	(3)	(5)	(4)
Other	(8)	(2)	-	(5)	(3)	-	-	(4)	-	(8)	(30)	10	10	(10)
Share of earnings from equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	(18)	-	(18)
Net loss attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	97	97
Net income (loss) attributable to Unitholders[3]	56	2	18	(6)	(2)	(5)	(3)	2	1	(65)	(2)	-	-	(2)

(1) Share of earnings from equity-accounted investments of $6 million is comprised of amounts found on the share of Adjusted EBITDA, share of interest and cash taxes and share of earnings lines. Net income attributable to participating non-controlling interests – in operating subsidiaries of $31 million is comprised of amounts found on Share of Funds From Operations attributable to non-controlling interests and Net loss attributable to non-controlling interests.

(2) Based on long-term sustaining capital expenditure plans.

(3) Net income (loss) attributable to Unitholders includes net income (loss) attributable to GP interest, Redeemable/Exchangeable partnership units and LP Units. Total net income (loss) includes amounts attributable to Unitholders, non-controlling interests, preferred limited partners equity and preferred equity.

The following table reflects Adjusted EBITDA, Funds From Operations and provides reconciliation to net income (loss) for the three months ended June 30, 2017:

	Attributable to Unitholders									Contribution from equity accounted investments	Attributable to non-controlling interests	As per IFRS financials[(1)]
	Hydroelectric			Wind			Storage and Other	Corporate	Total			
($ MILLIONS)	North America	Brazil	Colombia	North America	Europe	Brazil						
Revenues	270	66	46	40	9	5	11	-	447	(11)	247	683
Other income	-	3	1	-	-	-	-	1	5	-	5	10
Direct operating costs	(71)	(18)	(23)	(9)	(5)	(2)	(7)	(5)	(140)	4	(104)	(240)
Share of Adjusted EBITDA from equity accounted investments	-	-	-	-	-	-	-	-	-	7	-	7
Adjusted EBITDA	199	51	24	31	4	3	4	(4)	312	-	148	
Management service costs	-	-	-	-	-	-	-	(21)	(21)	-	-	(21)
Interest expense - borrowings	(43)	(4)	(10)	(11)	(2)	(1)	(5)	(22)	(98)	3	(61)	(156)
Current income taxes	2	(2)	1	-	-	-	-	-	1	-	3	4
Distributions attributable to												
Preferred limited partners equity	-	-	-	-	-	-	-	(7)	(7)	-	-	(7)
Preferred equity	-	-	-	-	-	-	-	(6)	(6)	-	-	(6)
Share of interest and cash taxes from equity accounted investments	-	-	-	-	-	-	-	-	-	(3)	-	(3)
Share of Funds From Operations attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(90)	(90)
Funds From Operations	158	45	15	20	2	2	(1)	(60)	181	-	-	
Adjusted sustaining capital expenditures[(2)]	(12)	(1)	(2)	-	-	-	-	(2)	(17)	-	-	
Adjusted Funds From Operations	146	44	13	20	2	2	(1)	(62)	164	-	-	
Adjusted sustaining capital expenditures[(2)]	12	1	2	-	-	-	-	2	17	-	-	
Depreciation	(56)	(34)	(8)	(21)	(3)	(2)	(6)	-	(130)	3	(71)	(198)
Foreign exchange and unrealized financial instrument gain (loss)	-	-	1	-	(6)	-	-	(7)	(12)	-	6	(6)
Deferred income tax recovery (expense)	(11)	-	(4)	6	1	-	-	5	(3)	-	(13)	(16)
Other	(9)	(5)	7	2	2	1	4	-	2	(1)	22	23
Share of earnings from equity accounted investments	-	-	-	-	-	-	-	-	-	(2)	-	(2)
Net loss attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	56	56
Net income (loss) attributable to Unitholders[(3)]	82	6	11	7	(4)	1	(3)	(62)	38	-	-	38

(1) Share of earnings from equity-accounted investments of $2 million is comprised of amounts found on the share of Adjusted EBITDA, share of interest and cash taxes and share of earnings lines. Net income attributable to participating non-controlling interests – in operating subsidiaries of $34 million is comprised of amounts found on Share of Funds From Operations attributable to non-controlling interests and Net loss attributable to non-controlling interests.

(2) Based on long-term sustaining capital expenditure plans.

(3) Net income (loss) attributable to Unitholders includes net income (loss) attributable to GP interest, Redeemable/Exchangeable partnership units and LP Units. Total net income (loss) includes amounts attributable to Unitholders, non-controlling interests, preferred limited partners equity and preferred equity.

The following table reconciles net (loss) income attributable to Limited partners' equity and (loss) earnings per LP Unit, the most directly comparable IFRS measures, to Funds From Operations, and Funds From Operations per Unit, both non-IFRS financial metrics for the three months ended June 30:

			Per unit	
(MILLIONS, EXCEPT AS NOTED)	2018	2017	2018	2017
Net (loss) income attributable to:				
Limited partners' equity	$ (1)	$ 21	$ (0.01)	$ 0.13
General partnership interest in a holding subsidiary held by Brookfield	-	1	-	-
Participating non-controlling interests - in a holding subsidiary - Redeemable/Exchangeable units held by Brookfield	(1)	16	-	-
Net (loss) income attributable to Unitholders	$ (2)	$ 38	$ (0.01)	$ 0.13
Adjusted for proportionate share of:				
Depreciation	149	130	0.48	0.43
Foreign exchange and unrealized financial instruments (gain) loss	(1)	12	-	0.04
Deferred income tax (recovery) expense	(4)	3	(0.01)	0.01
Other	30	(2)	0.09	-
Funds From Operations	$ 172	$ 181	$ 0.55	$ 0.61
Weighted average Units outstanding[1]			312.8	299.2

(1) Includes GP interest, Redeemable/Exchangeable partnership units, and LP Units.

CONTRACT PROFILE

We operate the business on a largely contracted basis to provide a high degree of predictability in Funds From Operations. We maintain a long-term view that electricity prices and the demand for electricity from renewable sources will rise due to a growing level of acceptance around climate change, the legislated requirements in some areas to diversify away from fossil fuel based generation and because they are becoming increasingly cost competitive.

In Brazil and Colombia, we also expect power prices will continue to be supported by the need to build new supply over the medium-to-long term to serve growing demand. In these markets, contracting for power is the only current mechanism to buy and sell power, and therefore we would expect to capture rising prices as we re-contract our power over the medium term.

The following table sets out our contracts over the next five years for generation output in North America, Europe and certain other countries, assuming long-term average on a proportionate basis. The table excludes Brazil and Colombia, where we would expect the energy associated with maturing contracts to be re-contracted in the normal course given the construct of the respective power markets. In these countries we currently have a contracted profile of approximately 90% and 70%, respectively, of the long-term average and we would expect to maintain this going forward. Overall, our portfolio has a weighted-average remaining contract duration of 15 years (on a proportionate basis).

	Balance of 2018	2019	2020	2021	2022
Generation (GWh)					
Contracted[1]					
Hydroelectric					
North America					
United States[2]	3,114	7,237	6,306	6,098	4,791
Canada	2,377	5,051	3,584	3,091	3,045
	5,491	12,288	9,890	9,189	7,836
Wind					
North America					
United States	936	2,023	1,945	1,878	1,854
Canada	581	1,197	1,197	1,197	1,197
	1,517	3,220	3,142	3,075	3,051
Europe	433	886	832	825	819
Other[3]	132	266	266	266	266
	2,082	4,372	4,240	4,166	4,136
Solar	459	941	941	941	941
Contracted on a proportionate basis	8,032	17,601	15,071	14,296	12,913
Uncontracted on a proportionate basis	597	1,414	3,944	4,719	6,102
Long-term average on a proportionate basis	8,629	19,015	19,015	19,015	19,015
Non-controlling interests	6,298	13,610	13,609	13,609	13,610
Total long-term average	14,927	32,625	32,624	32,624	32,625
Contracted generation - as at June 30, 2018					
% of total generation on a proportionate basis	93 %	93 %	79 %	75 %	68 %
Price per MWh - total generation on a proportionate basis	$ 78	$ 79	$ 84	$ 86	$ 92

(1) Assets under construction are included when long-term average and pricing details are available and the commercial operation date is established in a definitive construction contract. In the years 2018 to 2022, on a proportionate basis, there is 87 GWh contributed from assets under construction that meet the aforementioned conditions.

(2) Includes generation of 391 GWh for 2018 and 931 GWh for 2019 GWh secured under financial contracts.

(3) Includes generation from China, India, South Africa and Uruguay.

Our North American portfolio has a weighted-average remaining contract duration of 19 years (on a proportionate basis). Over the next five years, five contracts at our hydroelectric facilities are expiring, including one in 2020, two in 2021 and two in 2022 with annual long-term average (on a proportionate basis) of 1,467 GWh, 850 GWh and 1,271 GWh, respectively. We expect on average to recontract expiring contracts at levels equal to or greater than the rates of the expiring contracts. The majority of the expiring contracts are in line with current merchant prices.

In our Brazilian and Colombian portfolios, we have a weighted-average remaining duration on our contracts of 9 years and 2 years (on a proportionate basis), respectively. We continue to focus on securing long-term contracts while maintaining a certain percentage of uncontracted generation so as to mitigate hydrology risk.

In our European wind portfolio, we have a weighted-average remaining duration of 13 years (on a proportionate basis).

In other countries we have a weighted-average remaining duration of 17 years (on a proportionate basis).

The majority of Brookfield Renewable's long-term power purchase agreements within our North American and European businesses are with investment-grade rated or creditworthy counterparties. The overall composition of our contracted generation on a proportionate basis under power purchase agreements is comprised of Brookfield (40%), public power authorities (25%), distribution companies (19%) and industrial users (16%).

PART 5 - LIQUIDITY AND CAPITAL RESOURCES

Capitalization

A key element of our financing strategy is to raise the majority of our debt in the form of asset-specific, non-recourse borrowings at our subsidiaries on an investment-grade basis.

The following table summarizes our capitalization:

(MILLIONS, EXCEPT AS NOTED)		Jun 30 2018		Dec 31 2017
Credit facilities[1]	$	989	$	887
Corporate borrowings[2]		1,594		1,665
Subsidiary borrowings[3]		8,391		8,774
Long-term indebtedness		10,974		11,326
Deferred income tax liabilities, net of deferred income tax assets		3,397		3,411
Equity		13,726		14,282
Total capitalization	$	28,097	$	29,019
Debt to total capitalization		39%		39%

(1) Amounts are guaranteed by Brookfield Renewable. Includes $124 million (2017: $202 million) borrowed under a subscription facility of a Brookfield sponsored private fund.
(2) Amounts are unsecured and guaranteed by Brookfield Renewable.
(3) Asset-specific, non-recourse borrowings secured against the assets of certain Brookfield Renewable subsidiaries.

Available liquidity

The following table summarizes the available liquidity:

(MILLIONS)		Jun 30 2018		Dec 31 2017
Brookfield Renewable's share of cash and cash equivalents[1]		222		195
Investments in equity and debt securities		125		159
Corporate credit facilities				
Authorized credit facilities[2]		2,100		2,090
Draws on credit facilities[2]		(865)		(685)
Issued letters of credit		(77)		(193)
Available portion of corporate credit facilities		1,158		1,212
Available portion of subsidiary credit facilities on a proportionate basis		161		131
Available liquidity	$	1,666	$	1,697

(1) In 2017, amounts were net of cash and cash equivalents on TerraForm Global's balance sheet which, under the indenture, were not available for distribution.
(2) Amounts are guaranteed by Brookfield Renewable. Excludes $124 million (2017: $202 million) borrowed under a subscription facility of a Brookfield sponsored private fund.

We operate with sufficient liquidity to enable us to fund growth initiatives, capital expenditures, distributions, withstand sudden adverse changes in economic circumstances or short-term fluctuations in generation, and to finance the business on an investment-grade basis. Principal sources of liquidity are cash flows from operations, our credit facilities, up-financings on subsidiary borrowings and proceeds from the issuance of various securities through public markets.

Credit facilities and subsidiary borrowings

During the second quarter of 2018, we successfully executed $1.1 billion of non-recourse financings, which reduced the weighted average cost of our project debt to 5.5% while maintaining the weighted average duration of our project debt above 10 years.

LONG-TERM DEBT AND CREDIT FACILITIES

The composition of debt obligations, overall maturity profile, and average interest rates associated with our borrowings and credit facilities on a proportionate basis is presented in the following table:

	Jun 30, 2018			Dec 31, 2017		
	Weighted-average			Weighted-average		
(MILLIONS EXCEPT AS NOTED)	Interest rate (%)	Term (years)		Interest rate (%)	Term (years)	
Corporate borrowings	4.5	5.9	$ 1,599	4.5	6.4	$ 1,670
Credit facilities[1]	2.9	3.6	989	2.6	4.5	887
Proportionate subsidiary borrowings						
Hydroelectric	6.0	10.3	3,632	6.1	10.5	3,741
Wind[2]	4.7	10.2	1,696	5.1	11.3	1,286
Solar[2]	5.2	10.5	1,114	6.0	10.5	456
Storage and other	5.5	6.6	261	5.3	7.1	277
	5.5	10.2	6,703	5.8	10.5	5,760
Total proportionate debt			$ 9,291			$ 8,317
Proportionate unamortized financing fees, net of unamortized premiums			(50)			(47)
Brookfield Renewable's share			9,241			8,270
Subsequent financings[3]			-			(33)
Equity accounted borrowings			(1,990)			(834)
Non-controlling interests			3,723			4,363
As per IFRS Statements			$ 10,974			$ 11,766

(1) Draws on our corporate credit facilities are presented based on available capacity of our longest dated facilities irrespective of the credit facility drawn.

(2) Excludes $60 million of proportionate debt associated with South African assets classified as held for sale as at June 30, 2018. See "Part 3 – Additional Consolidated Financial Information". Proportionate debt outstanding associated with these assets as at December 31, 2017 was $51 million.

(3) Adjusted to reflect the financing initiatives associated with a hydroelectric and a storage facility, finalized subsequent to year-end.

The following table summarizes our undiscounted principal repayments and scheduled amortization on a proportionate basis as at June 30, 2018:

(MILLIONS)	Balance of 2018	2019	2020	2021	2022	Thereafter	Total
Principal repayments							
Corporate borrowings and							
credit facilities[(1)]	152	124	343	-	1,170	799	$ 2,588
Subsidiary borrowings							
Hydro	40	125	374	185	212	2,696	3,632
Wind	46	109	104	155	190	1,092	1,696
Solar	20	39	36	130	106	783	1,114
Storage and other	2	3	3	64	3	186	261
	108	276	517	534	511	4,757	6,703
Total	260	400	860	534	1,681	5,556	$ 9,291

(1) Draws on our corporate credit facilities are presented based on available capacity of our longest dated facilities irrespective of the credit facility drawn.

We remain focused on refinancing near-term facilities on acceptable terms and maintaining a manageable maturity ladder. We do not anticipate material issues in addressing our borrowings through 2022 on acceptable terms and will do so opportunistically based on the prevailing interest rate environment.

Our sole near term maturity is our C$200 million ($152 million) Series 3 medium-term notes which mature in November.

As part of the TerraForm Global transaction, Brookfield Renewable acquired assets with project level financings that were in default prior to the acquisition, had outstanding principal amounts totaling $322 million, and mature in 2031. As at June 30, 2018, the loans remained not in compliance with certain covenants due to conditions that existed prior to the acquisition of TerraForm Global, including issues with contractors under engineering, procurement and construction contracts. The loan balances relating to the project debts in South Africa have been classified as Liabilities directly associated with Assets held for sale. The remaining balances have been classified as current as at June 30, 2018 on our IFRS financial statements. Brookfield Renewable is currently working with all the lenders to cure such defaults and release the restrictions placed on the projects. As we expect a successful outcome, we have presented these loans according to their original maturity date in the above maturity table. These loans have a total outstanding balance as at June 30, 2018 of $14 million. Except for the aforementioned defaults, Brookfield Renewable complied with all material financial covenants as of June 30, 2018.

The overall maturity profile and average interest rates associated with our borrowings and credit facilities on a proportionate basis are as follows:

	Average term (years)		Average interest rate (%)	
	Jun 30 2018	Dec 31 2017	Jun 30 2018	Dec 31 2017
Corporate borrowings	5.9	6.4	4.5	4.5
Credit facilities[(1)]	3.6	4.5	2.9	2.6
Subsidiary borrowings	10.2	10.5	5.5	5.8

(1) Draws on our corporate credit facilities are presented based on available capacity of our longest dated facilities irrespective of the credit facility drawn.

CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table summarizes the key items in the unaudited interim consolidated statements of cash flows:

(MILLIONS)	Three months ended Jun 30 2018	Three months ended Jun 30 2017	Six months ended Jun 30 2018	Six months ended Jun 30 2017
Cash flow provided by (used in):				
Operating activities	$ 263	$ 242	$ 563	$ 542
Financing activities	8	(362)	(587)	(540)
Investing activities	(426)	(37)	(530)	(51)
Foreign exchange loss on cash	(12)	(5)	(8)	-
Decrease in cash and cash equivalents	$ (167)	$ (162)	$ (562)	$ (49)

Cash and cash equivalents as at June 30, 2018 totaled $237 million, representing a decrease of $167 million and $562 million for the three and six months ended, respectively.

Operating Activities

Cash flows provided by operating activities totaled $263 million for the second quarter of 2018. The contribution from the growth in our portfolio, relatively higher realized prices and cost-reduction initiatives was more than offset by lower in generation at our North American hydroelectric resulting in a net decrease of $9 million to Funds From Operations over the prior year.

Cash flows provided by operating activities totaled $563 million for the six months ended June 30, 2018. Funds From Operations were $61 million above prior year as the contribution from growth in our portfolio, higher realized prices and cost-reduction initiatives partially offset by slightly below long-term average generation.

The impact from the net change in working capital balances is supported by the table below.

Net change in working capital

The net change in working capital balances shown in the unaudited interim consolidated statements of cash flows is comprised of the following:

(MILLIONS)	Three months ended Jun 30 2018	Three months ended Jun 30 2017	Six months ended Jun 30 2018	Six months ended Jun 30 2017
Trade receivables and other current assets	$ 12	$ 19	$ 13	$ 50
Accounts payable and accrued liabilities	(12)	(90)	(54)	(54)
Other assets and liabilities	(31)	44	(22)	26
	$ (31)	$ (27)	$ (63)	$ 22

Financing Activities

Cash flows provided by financing activities totaled $8 million for the second quarter.

Cash flows used in financing activities totaled $587 million for the six months ended June 30, 2018 due primarily to deleveraging initiatives undertaken following our investment in TerraForm Global and the re-financing of our subsidiary borrowings in Colombia and Brazil, as well as the distributions noted below.

We increased our distributions to $1.96 per LP Unit on an annualized basis, an increase of 9 cents per LP Unit which took effect in the first quarter of 2018.

For the three months ended June 30, 2018, distributions paid to unitholders of Brookfield Renewable or BRELP were $161 million (2017: $145 million). The distributions paid to preferred shareholders, preferred limited partners' unitholders and participating non-controlling interests - in operating subsidiaries totaled $197 million (2017: $173 million).

For the six months ended June 30, 2018, distributions paid to unitholders of Brookfield Renewable or BRELP were $321 million (2017: $289 million). The distributions paid to preferred shareholders, preferred limited partners' unitholders and participating non-controlling interests - in operating subsidiaries totaled $388 million (2017: $319 million).

Investing Activities

Cash flows used in investing activities for the second quarter of 2018 totaled $426 million. Our development of power generating assets and sustaining capital expenditures were $13 million and $29 million, respectively. During the second quarter of 2018, our equity-accounted interest in TerraForm Power increased from 16% to 30% from an incremental $420 million investment.

Cash flows used in investing activities for the six months ended June 30, 2018 totaled $530 million. Our acquisitions and investments in the development of power generating assets and sustaining capital expenditures were $50 million (net of cash acquired) and $56 million, respectively. During the second quarter of 2018, our equity-accounted interest in TerraForm Power increased from 16% to 30% from an incremental $420 million investment.

SHARES AND UNITS OUTSTANDING

Shares and units outstanding are as follows:

	Jun 30, 2018	Dec 31, 2017
Class A Preference Shares		
Balance, beginning of year	31,035,967	31,035,967
Balance, end of period/year	31,035,967	31,035,967
Class A Preferred LP Units		
Balance, beginning of year	27,885,469	17,885,469
Issuance of Preferred LP Units	10,000,000	10,000,000
Balance, end of period/year	37,885,469	27,885,469
GP interest	2,651,506	2,651,506
Redeemable/Exchangeable partnership units	129,658,623	129,658,623
LP Units		
Balance, beginning of year	180,388,361	166,839,324
Issuance of LP Units	-	13,247,000
Distribution reinvestment plan	157,689	302,037
Repurchase of LP Units for cancellation	(281,359)	-
Balance, end of period/year	180,264,691	180,388,361
Total LP Units on a fully-exchanged basis[1]	309,923,314	310,046,984

(1) The fully-exchanged amounts assume the exchange of all Redeemable/ Exchangeable partnership units for LP Units.

DIVIDENDS AND DISTRIBUTIONS

Dividends and distributions declared and paid are as follows:

	Declared		Paid		Declared		Paid	
	Three months ended Jun 30				Six months ended Jun 30			
(MILLIONS)	2018	2017	2018	2017	2018	2017	2018	2017
Class A Preference Shares	$ 6	$ 6	$ 6	$ 6	$ 13	$ 12	$ 13	$ 12
Class A Preferred LP Units	$ 9	$ 7	$ 9	$ 6	$ 19	$ 13	$ 17	$ 11
Participating non-controlling interests - in operating subsidiaries	$ 181	$ 161	$ 181	$ 161	$ 357	$ 260	$ 357	$ 260
GP interest and Incentive distributions	$ 11	$ 8	$ 11	$ 8	$ 23	$ 17	$ 22	$ 16
Redeemable/Exchangeable partnership units	$ 64	$ 61	$ 63	$ 60	$ 128	$ 123	$ 127	$ 121
LP Units	$ 88	$ 78	$ 87	$ 77	$ 178	$ 157	$ 172	$ 152

CONTRACTUAL OBLIGATIONS

Please see Note 18 – Commitments, contingencies and guarantees in the unaudited interim consolidated financial statements, for further details on the following:

- *Commitments* – Water, land, and dams usage agreements, and agreements and conditions on committed acquisitions of operating portfolios and development projects;
- *Contingencies* – Legal proceedings, arbitrations and actions arising in the normal course of business, and providing for letters of credit;
- *Guarantees* – Nature of all the indemnification undertakings.

OFF-STATEMENT OF FINANCIAL POSITION ARRANGEMENTS

Other than the available portion of corporate credit facilities and subsidiary credit facilities on a proportionate basis disclosed in Part 5 – Liquidity and Capital Resources, Brookfield Renewable has no off-statement of financial position financing arrangements.

PART 6 - SELECTED QUARTERLY INFORMATION

SUMMARY OF HISTORICAL QUARTERLY RESULTS

The following is a summary of unaudited quarterly financial information for the last eight consecutive quarters on a consolidated basis:

	2018		2017				2016	
(MILLIONS, EXCEPT AS NOTED)	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Total Generation (GWh) - LTA	13,521	12,852	12,198	9,098	10,674	10,364	10,319	9,092
Total Generation (GWh) - actual	13,122	12,880	11,913	9,370	11,618	10,484	8,728	7,522
Proportionate Generation (GWh) - LTA	6,935	6,351	6,030	5,053	6,279	5,890	5,739	5,068
Proportionate Generation (GWh) - actual	6,455	6,694	5,890	5,198	6,719	6,161	4,734	4,395
Revenues	**$ 735**	**$ 793**	**$ 657**	**$ 608**	**$ 683**	**$ 677**	**$ 571**	**$ 580**
Net income (loss) attributable to	**(2)**	**8**	**(67)**	**(43)**	**38**	**16**	**(47)**	**(33)**
Basic earnings (loss) per LP Unit	**(0.01)**	**0.03**	**(0.22)**	**(0.14)**	**0.13**	**0.05**	**(0.16)**	**(0.12)**
Consolidated Adjusted EBITDA	543	582	453	381	460	457	326	335
Proportionate Adjusted EBITDA	324	351	295	233	311	303	189	213
Funds From Operations	172	193	143	91	181	166	54	73
Funds From Operations per Unit	0.55	0.62	0.46	0.29	0.61	0.55	0.18	0.24
Distribution per LP Unit	0.490	0.490	0.468	0.468	0.468	0.468	0.445	0.445

PROPORTIONATE RESULTS FOR THE SIX MONTHS ENDED JUNE 30

The following chart reflects the generation and summary financial figures on a **proportionate basis** for the six months ended June 30:

	(GWh)				(MILLIONS)							
	Actual Generation		LTA Generation		Revenues		Adjusted EBITDA		Funds From Operations		Net Income (Loss)	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Hydroelectric												
North America	7,178	7,952	7,261	7,261	$ 489	$ 525	$ 356	$ 393	$ 269	$ 306	$ 133	$ 165
Brazil	1,940	1,757	1,935	1,918	132	118	95	93	78	78	3	2
Colombia	1,640	1,824	1,688	1,692	106	93	62	48	42	25	30	11
	10,758	11,533	10,884	10,871	727	736	513	534	389	409	166	178
Wind												
North America	1,308	832	1,488	948	108	79	79	62	50	41	(12)	8
Europe	272	266	288	272	29	24	18	15	11	9	(3)	(5)
Brazil	262	109	264	75	18	9	13	6	9	4	(6)	2
Other	69	-	76	-	5	-	3	-	1	-	(4)	-
	1,911	1,207	2,116	1,295	160	112	113	83	71	54	(25)	5
Solar	290	-	286	-	48	-	41	-	26	-	-	-
Storage & Other	190	140	-	-	37	24	19	7	12	(1)	(11)	(9)
Corporate	-	-	-	-	-	-	(11)	(10)	(133)	(115)	(124)	(120)
Total	13,149	12,880	13,286	12,166	$ 972	$ 872	$ 675	$ 614	$ 365	$ 347	$ 6	$ 54

RECONCILIATION OF NON-IFRS MEASURES

The following table reflects Adjusted EBITDA, Funds From Operations, Adjusted Funds From Operations and provides a reconciliation to net income (loss) for the six months ended June 30, 2018:

	Attributable to Unitholders											Contribution from equity accounted investments	Attributable to non-controlling interests	As per IFRS financials[1]
	Hydroelectric			Wind				Solar	Storage and Other	Corporate	Total			
($ MILLIONS)	North America	Brazil	Colombia	North America	Europe	Brazil	Other							
Revenues	489	132	106	108	29	18	5	48	37	-	972	(97)	653	1,528
Other income	5	2	1	1	1	-	-	3	-	1	14	(4)	9	19
Direct operating costs	(138)	(39)	(45)	(30)	(12)	(5)	(2)	(10)	(18)	(12)	(311)	32	(224)	(503)
Share of Adjusted EBITDA from equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	69	12	81
Adjusted EBITDA	356	95	62	79	18	13	3	41	19	(11)	675	-	450	
Management service costs	-	-	-	-	-	-	-	-	-	(42)	(42)	-	-	(42)
Interest expense - borrowings	(84)	(12)	(20)	(28)	(6)	(4)	(2)	(15)	(7)	(48)	(226)	25	(157)	(358)
Current income taxes	(3)	(5)	-	(1)	(1)	-	-	-	-	-	(10)	1	(5)	(14)
Distributions attributable to														
Preferred limited partners equity	-	-	-	-	-	-	-	-	-	(19)	(19)	-	-	(19)
Preferred equity	-	-	-	-	-	-	-	-	-	(13)	(13)	-	-	(13)
Share of interest and cash taxes from equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	(26)	(10)	(36)
Share of Funds From Operations attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(278)	(278)
Funds From Operations	269	78	42	50	11	9	1	26	12	(133)	365	-	-	
Adjusted sustaining capital expenditures[2]	(26)	(2)	(4)	-	-	-	-	-	-	(4)	(36)	-	-	
Adjusted Funds From Operations	243	76	38	50	11	9	1	26	12	(137)	329	-	-	
Adjusted sustaining capital expenditures[2]	26	2	4	-	-	-	-	-	-	4	36	-	-	
Depreciation	(113)	(71)	(10)	(55)	(17)	(7)	(2)	(13)	(12)	-	(300)	29	(148)	(419)
Foreign exchange and unrealized financial instrument loss	1	(1)	1	3	5	(8)	(1)	(3)	(2)	13	8	(6)	(27)	(25)
Deferred income tax expense	(6)	1	(3)	(5)	1	-	-	-	-	9	(3)	(1)	(9)	(13)
Other	(18)	(4)	-	(5)	(3)	-	(2)	(10)	(9)	(13)	(64)	17	(7)	(54)
Share of earnings from equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	(39)	-	(39)
Net income attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	191	191
Net income (loss) attributable to Unitholders[3]	133	3	30	(12)	(3)	(6)	(4)	-	(11)	(124)	6	-	-	6

(1) Share of earnings from equity-accounted investments of $6 million is comprised of amounts found on the share of Adjusted EBITDA, share of interest and cash taxes and share of earnings lines. Net income attributable to participating non-controlling interests – in operating subsidiaries of $87 million is comprised of amounts found on Share of Funds From Operations attributable to non-controlling interests and Net Income attributable to non-controlling interests.

(2) Based on long-term sustaining capital expenditure plans.

(3) Net income (loss) attributable to Unitholders includes net income (loss) attributable to GP interest, Redeemable/Exchangeable partnership units and LP Units. Total net income (loss) includes amounts attributable to Unitholders, non-controlling interests, preferred limited partners equity and preferred equity.

The following table reflects Adjusted EBITDA, Funds From Operations, Adjusted Funds From Operations and provides a reconciliation to net income (loss) for the six months ended June 30, 2017:

	Attributable to Unitholders									Contribution from equity accounted investments	Attributable to non-controlling interests	As per IFRS financials[1]
	Hydroelectric			Wind			Storage and Other	Corporate	Total			
($ MILLIONS)	North America	Brazil	Colombia	North America	Europe	Brazil						
Revenues	525	118	93	79	24	9	24	-	872	(20)	508	1,360
Other income	-	6	2	-	-	-	-	1	9	-	9	18
Direct operating costs	(132)	(31)	(47)	(17)	(9)	(3)	(17)	(11)	(267)	9	(215)	(473)
Share of Adjusted EBITDA from equity accounted investments	-	-	-	-	-	-	-	-	-	11	-	11
Adjusted EBITDA	393	93	48	62	15	6	7	(10)	614	-	302	
Management service costs	-	-	-	-	-	-	-	(37)	(37)	-	-	(37)
Interest expense - borrowings	(88)	(10)	(22)	(21)	(6)	(2)	(8)	(43)	(200)	6	(125)	(319)
Current income taxes	1	(5)	(1)	-	-	-	-	-	(5)	-	(7)	(12)
Distributions attributable to												
Preferred limited partners equity	-	-	-	-	-	-	-	(13)	(13)	-	-	(13)
Preferred equity	-	-	-	-	-	-	-	(12)	(12)	-	-	(12)
Share of interest and cash taxes from equity accounted investments	-	-	-	-	-	-	-	-	-	(6)	-	(6)
Share of Funds From Operations attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(170)	(170)
Funds From Operations	306	78	25	41	9	4	(1)	(115)	347	-	-	
Adjusted sustaining capital expenditures[2]	(24)	(2)	(4)	-	-	-	-	(4)	(34)	-	-	
Adjusted Funds From Operations	282	76	21	41	9	4	(1)	(119)	313	-	-	
Adjusted sustaining capital expenditures[2]	24	2	4	-	-	-	-	4	34	-	-	
Depreciation	(109)	(70)	(16)	(41)	(12)	(3)	(12)	-	(263)	6	(141)	(398)
Foreign exchange and unrealized financial instrument loss	(4)	(3)	1	1	(6)	-	-	(16)	(27)	1	-	(26)
Deferred income tax expense	(18)	2	(6)	6	2	-	-	11	(3)	-	(18)	(21)
Other	(10)	(5)	7	1	2	1	4	-	-	(1)	22	21
Share of earnings from equity accounted investments	-	-	-	-	-	-	-	-	-	(6)	-	(6)
Net income attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	137	137
Net income (loss) attributable to Unitholders[3]	165	2	11	8	(5)	2	(9)	(120)	54	-	-	54

(1) Share of loss from equity-accounted investments of $1 million is comprised of amounts found on the share of Adjusted EBITDA, share of interest and cash taxes and share of earnings lines. Net income attributable to participating non-controlling interests – in operating subsidiaries of $33 million is comprised of amounts found on Share of Funds From Operations attributable to non-controlling interests and Net Income attributable to non-controlling interests.

(2) Based on long-term sustaining capital expenditure plans.

(3) Net income (loss) attributable to Unitholders includes net income (loss) attributable to GP interest, Redeemable/Exchangeable partnership units and LP Units. Total net income (loss) includes amounts attributable to Unitholders, non-controlling interests, preferred limited partners equity and preferred equity.

The following table reconciles net income attributable to Limited partners' equity and earnings per LP Unit, the most directly comparable IFRS measures, to Funds From Operations, Funds From Operations per Unit and Adjusted EBITDA, all non-IFRS financial metrics for the six months ended June 30:

			Per unit	
(MILLIONS, EXCEPT AS NOTED)	2018	2017	2018	2017
Net income attributable to:				
Limited partners' equity	$ 4	$ 30	$ 0.02	$ 0.18
General partnership interest in a holding subsidiary held by Brookfield	-	1	-	-
Participating non-controlling interests - in a holding subsidiary - Redeemable/Exchangeable units held by Brookfield	2	23	-	-
Net income attributable to Unitholders	$ 6	$ 54	$ 0.02	$ 0.18
Depreciation	300	263	0.96	0.88
Foreign exchange and unrealized financial instruments (gain) loss	(8)	27	(0.02)	0.09
Deferred income tax expense	3	3	0.01	0.01
Other	64	-	0.20	-
Funds From Operations	$ 365	$ 347	$ 1.17	$ 1.16
Weighted average Units outstanding[1]			312.7	299.2

(1) Includes GP interest, Redeemable/Exchangeable partnership units, and LP Units.

PART 7 - CRITICAL ESTIMATES, ACCOUNTING POLICIES AND INTERNAL CONTROLS

CRITICAL ESTIMATES AND CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The unaudited interim consolidated financial statements are prepared in accordance with IAS 34, which require the use of estimates and judgments in reporting assets, liabilities, revenues, expenses and contingencies. In the judgment of management, none of the estimates outlined in Note 1 – Basis of preparation and significant accounting policies in our unaudited interim consolidated financial statements are considered critical accounting estimates as defined in Canadian National Instrument 51-102 – Continuous Disclosure Obligations with the exception of the estimates related to the valuation of property, plant and equipment and the related deferred income tax liabilities. These assumptions include estimates of future electricity prices, discount rates, expected long-term average generation, inflation rates, terminal year and operating and capital costs, the amount, the timing and the income tax rates of future income tax provisions. Estimates also include determination of accruals, purchase price allocations, useful lives, asset valuations, asset impairment testing, deferred tax liabilities, decommissioning retirement obligations and those relevant to the defined benefit pension and non-pension benefit plans. Estimates are based on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances.

In making estimates, management relies on external information and observable conditions where possible, supplemented by internal analysis, as required. These estimates have been applied in a manner consistent with that in the prior year and there are no known trends, commitments, events or uncertainties that we believe will materially affect the methodology or assumptions utilized in this report. These estimates are impacted by, among other things, future power prices, movements in interest rates, foreign exchange volatility and other factors, some of which are highly uncertain, as described in the "Risk Factors" section in our 2017 Annual Report. The interrelated nature of these factors prevents us from quantifying the overall impact of these movements on Brookfield Renewable's financial statements in a meaningful way. These sources of estimation uncertainty relate in varying degrees to substantially all asset and liability account balances. Actual results could differ from those estimates.

NEW ACCOUNTING STANDARDS

(i) IFRS 15 – Revenue from contracts from customers

On January 1, 2018 Brookfield Renewable adopted IFRS 15 using the modified retrospective method applied to those contracts which were not completed as of January 1, 2018. The new standard replaces the majority of existing IFRS requirements on revenue recognition including IAS 18, Revenue, IAS 11, Construction Contracts and related interpretations. The core principle of the standard is to recognize revenue to depict the transfer of goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard has prescribed a five-step model to apply the principles which requires the identification of a contract with a customer, the identification of performance obligations with the contract, determination of the transaction price, the allocation of the transaction price to the performance obligations and the recognition of revenue when performance obligations have been satisfied. The standard also specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract as well as requiring more informative and relevant disclosures. IFRS 15 applies to nearly all contracts with customers, unless covered by another standard, such as leases, financial instruments and insurance contracts.

The pattern and timing of revenue recognition under the new standard is consistent with prior practice. There have been no adjustments recognized on the adoption of IFRS 15.

(ii) IFRS 9 – Financial instruments

Brookfield Renewable adopted IFRS 9, Financial Instruments (“IFRS 9”), as issued by the IASB in 2014, which provide more reliable and relevant information for users to assess the amounts, timing and uncertainty of future cash flows. The new accounting policies were applied retrospectively from January 1, 2018 and, in accordance with the transitional provisions in IFRS 9, comparative figures were not restated. The adoption of IFRS 9 did not result in any material transition adjustments being recognized as at January 1, 2018

IFRS 9 replaces certain provisions of IAS 39, Financial Instruments Recognition and Measurement (“IAS 39”) that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets; and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7, Financial Instruments: Disclosures.

FUTURE CHANGES IN ACCOUNTING POLICIES

(i) Leases

In January 2016, the IASB issued IFRS 16, Leases (“IFRS 16”). IFRS 16 brings most leases onto the statement of financial position for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting remains largely unchanged and the distinction between operating and finance leases is retained. Under IFRS 16 a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly, and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease. Lessees are permitted to make an accounting policy election, by class of underlying asset, to apply a method like IAS 17’s operating lease accounting and not recognize lease assets and lease liabilities for leases with a lease term of 12 months or less, and on a lease-by-lease basis, to apply a method similar to current operating lease accounting to leases for which the underlying asset is of low value. IFRS 16 supersedes IAS 17, Leases and related interpretations. A lessee will apply IFRS 16 to its leases either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying IFRS 16 being recognized at the date of initial application. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. Management has formed its adoption working group and participated in planning sessions with Brookfield Asset Management. Initial scoping has been completed and preliminary quantification is underway. Management continues to evaluate the impact of IFRS 16 on the consolidated financial statements.

INTERNAL CONTROL OVER FINANCIAL REPORTING

No changes were made in our internal control over financial reporting during the six months ended June 30, 2018, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART 8 - PRESENTATION TO STAKEHOLDERS AND PERFORMANCE MEASUREMENT

PRESENTATION TO PUBLIC STAKEHOLDERS

Equity

Brookfield Renewable's consolidated equity interests include the non-voting LP Units held by public LP Unitholders and Brookfield, Redeemable/Exchangeable limited partnership units in BRELP, a holding subsidiary of Brookfield Renewable, held by Brookfield, and GP interest in BRELP held by Brookfield. The LP Units and the Redeemable/Exchangeable partnership units have the same economic attributes in all respects, except that the Redeemable/Exchangeable partnership units provide Brookfield the right to request that their units be redeemed for cash consideration. In the event that Brookfield exercises this right, Brookfield Renewable has the right, at its sole discretion, to satisfy the redemption request with LP Units, rather than cash, on a one-for-one basis. Brookfield, as holder of Redeemable/Exchangeable partnership units, participates in earnings and distributions on a per unit basis equivalent to the per unit participation of the LP Units. As Brookfield Renewable, at its sole discretion, has the right to settle the obligation with LP Units, the Redeemable/Exchangeable partnership units are classified under equity, and not as a liability.

Given the exchange feature referenced above, we are presenting LP Units, Redeemable/Exchangeable partnership units, and the GP interest as separate components of consolidated equity. This presentation does not impact the total income (loss), per unit or share information, or total consolidated equity.

As at the date of this report, Brookfield owns an approximate 60% LP Unit interest, on a fully-exchanged basis, and all general partnership interests in Brookfield Renewable, representing a 0.01% interest, while the remaining approximately 40% is held by the public.

Actual and Long-term Average Generation

For assets acquired or reaching commercial operation during the year, reported generation is calculated from the acquisition or commercial operation date and is not annualized. As it relates to Colombia only, generation includes both hydroelectric and cogeneration facilities. "Other" includes generation from North America cogeneration and Brazil biomass.

North America hydroelectric LTA is the expected average level of generation based on the results of a simulation based on historical inflow data performed over a period of typically 30 years. Colombia hydroelectric LTA is the expected average level of generation based on the results of a simulation based on historical inflow data performed over a period of typically 20 years. Colombia includes generation from both hydroelectric and cogeneration facilities. Hydroelectric assets located in Brazil benefit from a market framework which levelizes generation risk across producers. Wind LTA is the expected average level of generation based on the results based on simulated historical wind speed data performed over a period of typically 10 years. Solar LTA is the expected average level of generation based on the results of a simulation using historical irradiance levels in the locations of our projects from the last 14 to 20 years combined with actual generation data during the operational period.

We compare actual generation levels against the long-term average to highlight the impact of an important factor that affects the variability of our business results. In the short-term, we recognize that hydrology, wind and irradiance conditions will vary from one period to the next; over time however, we expect our facilities will continue to produce in line with their long-term averages, which have proven to be reliable indicators of performance.

Our risk of a generation shortfall in Brazil continues to be minimized by participation in a hydrological balancing pool administered by the government of Brazil. This program mitigates hydrology risk by assuring that all participants receive, at any particular point in time, an assured energy amount, irrespective of the actual volume of energy generated. The program reallocates energy, transferring surplus energy from those who generated an excess to those who generate less than their assured energy, up to the total generation within the pool. Periodically, low precipitation across the entire country's system could result in a temporary reduction of generation available for sale. During these periods, we expect that a higher proportion of thermal generation would be needed to balance supply and demand in the country potentially leading to higher overall spot market prices.

Generation from our North American pumped storage and cogeneration facilities is highly dependent on market price conditions rather than the generating capacity of the facilities. Our European pumped storage facility generates on a dispatchable basis when required by our contracts for ancillary services. Generation from our biomass facilities is dependent on the amount of sugar cane harvested in a given year. For these reasons, we do not consider a long-term average for these facilities.

Voting Agreements with Affiliates

Brookfield Renewable has entered into voting agreements with Brookfield, whereby Brookfield Renewable gained control of the entities that own certain United States, Brazil and Europe renewable power generating operations as well as the entity that owns the renewable power generating operations acquired as part of the investment in TerraForm Global. Brookfield Renewable has also entered into a voting agreement with its consortium partners in respect of the Colombian operations. The voting agreements provide Brookfield Renewable the authority to direct the election of the Boards of Directors of the relevant entities, among other things, and therefore provide Brookfield Renewable with control. Accordingly, Brookfield Renewable consolidates the accounts of these entities.

Brookfield Renewable has also entered into a voting agreement with Brookfield, whereby Brookfield Renewable gained certain rights in respect of the partnership that controls TerraForm Power and its subsidiaries. This voting agreement provides Brookfield Renewable the authority to direct the election of one member of the Board of Directors of the relevant entity, among other things, and therefore provide Brookfield Renewable with significant influence over the partnership that controls TerraForm Power. Accordingly, Brookfield Renewable equity accounts for the partnership that controls TerraForm Power.

For entities previously controlled by Brookfield Asset Management, the voting agreements entered into do not represent business combinations in accordance with IFRS 3, as all combining businesses are ultimately controlled by Brookfield Asset Management both before and after the transactions were completed. Brookfield Renewable accounts for these transactions involving entities under common control in a manner similar to a pooling of interest, which requires the presentation of pre-voting agreement financial information as if the transactions had always been in place. Refer to Note 1(o)(ii) – Critical judgments in applying accounting policies - Common control transactions in our December 31, 2017 audited consolidated financial statements for our policy on accounting for transactions under common control.

PERFORMANCE MEASUREMENT

Segment Information

Brookfield Renewable's Chief Executive Officer and Chief Financial Officer (collectively, the chief operating decision maker or "CODM") review the results of the business, manage operations, and allocate resources based on the type of technology.

Operations are segmented by technology – 1) hydroelectric, 2) wind, 3) solar, 4) storage & other (cogeneration and biomass), and 5) corporate – with hydroelectric and wind further segmented by geography (i.e., North America, Colombia, Brazil, Europe and Other). This best reflects the way in which the CODM reviews results, manages operations and allocates resources. Our investment in the TerraForm Power and TerraForm Global businesses led to the creation of the solar segment which will now be reviewed on a standalone basis. Our investment in First Hydro resulted in the creation of a storage segment which will be reviewed along with our cogeneration and biomass businesses, on an aggregate basis. A pumped storage facility in North America, that was previously included in the hydroelectric segment, is now included in the “storage and other” segment. The Colombia segment aggregates the financial results of its hydroelectric and cogeneration facilities. The corporate segment represents all activity performed above the individual segments for the business.

We report our results in accordance with these segments and present prior period segmented information in a consistent manner. See Note 5 – Segmented information in our unaudited interim consolidated financial statements.

One of our primary business objectives is to generate stable and growing cash flows while minimizing risk for the benefit of all stakeholders. We monitor our performance in this regard through four key metrics — i) Net Income (Loss), ii) Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”), iii) Funds From Operations, and iv) Adjusted Funds From Operations.

It is important to highlight that Adjusted EBITDA, Funds From Operations and Adjusted Funds From Operations do not have any standardized meaning prescribed by IFRS and therefore are unlikely to be comparable to similar measures presented by other companies and have limitations as analytical tools. We provide additional information below on how we determine Adjusted EBITDA, Funds From Operations and Adjusted Funds From Operations. We also provide reconciliations to net income (loss). See “PART 4 – Financial Performance Review on Proportionate Information – Reconciliation of Non-IFRS Measures”.

Proportionate Information

Reporting to the CODM on the measures utilized to assess performance and allocate resources has been provided on a proportionate basis since the fourth quarter of 2017. Information on a proportionate basis reflects Brookfield Renewable’s share from facilities which it accounts for using consolidation and the equity method whereby Brookfield Renewable either controls or exercises significant influence or joint control over the investment, respectively. Proportionate information provides a Unitholder perspective that the CODM considers important when performing internal analyses and making strategic and operating decisions. The CODM also believes that providing proportionate information helps investors understand the impacts of decisions made by management and financial results allocable to Unitholders.

Proportionate financial information is not, and is not intended to be, presented in accordance with IFRS. Tables reconciling IFRS data with data presented on a proportionate consolidation basis have been disclosed. Segment revenues, other income, direct operating costs, interest expense, depreciation, current and deferred income taxes, and other are items that will differ from results presented in accordance with IFRS as these items (1) include Brookfield Renewable’s proportionate share of earnings from equity-accounted investments attributable to each of the above-noted items, and (2) exclude the proportionate share of earnings (loss) of consolidated investments not held by us apportioned to each of the above-noted items.

The presentation of proportionate results has limitations as an analytical tool, including the following:

- The amounts shown on the individual line items were derived by applying our overall economic ownership interest percentage and do not necessarily represent our legal claim to the assets and liabilities, or the revenues and expenses; and
- Other companies may calculate proportionate results differently than we do.

Because of these limitations, our proportionate financial information should not be considered in isolation or as a substitute for our financial statements as reported under IFRS.

Segmented net income (loss) is not a measure the CODM uses to review the results of business and allocate resources. Brookfield Renewable does not control those entities that have not been consolidated and as such, have been presented as equity-accounted investments in its financial statements. The presentation of the assets and liabilities and revenues and expenses do not represent Brookfield Renewable's legal claim to such items, and the removal of financial statement amounts that are attributable to non-controlling interests does not extinguish Brookfield Renewable's legal claims or exposures to such items.

Net Income (Loss)

Net income (loss) is calculated in accordance with IFRS.

Net income (loss) is an important measure of profitability, in particular because it has a standardized meaning under IFRS. The presentation of net income (loss) on an IFRS basis for our business will often lead to the recognition of a loss or a year-over-year decrease in income even though the underlying cash flows generated by the assets are supported by strong margins and stable, long-term power purchase agreements. The primary reason for this is that accounting rules require us to recognize a significantly higher level of depreciation for our assets than we are required to reinvest in the business as sustaining capital expenditures.

Adjusted EBITDA

EBITDA is a non-IFRS measure used by investors to analyze the operating performance of companies.

Brookfield Renewable uses Adjusted EBITDA to assess the performance of its operations before the effects of interest expense, income taxes, depreciation, management service costs, non-controlling interests, unrealized gain or loss on financial instruments, non-cash gain or loss from equity-accounted investments, distributions to preferred limited partners and other typical non-recurring items. Brookfield Renewable adjusts for these factors as they may be non-cash, unusual in nature and/or are not factors used by management for evaluating operating performance.

As compared to the preceding years, we revised our definition of Adjusted EBITDA to include our proportionate share of Adjusted EBITDA from equity-accounted investments. In preceding years, we included our proportionate share of Funds From Operations from equity-accounted investments. We revised our definition as we believe it provides a more meaningful measure for investors to evaluate our financial and operating performance on an allocable basis to Unitholders.

Funds From Operations and Funds From Operations per Unit

Funds From Operations is a non-IFRS measure used by investors to analyze net earnings from operations without the effects of certain volatile items that generally have no current financial impact or items not directly related to the performance of the business.

Brookfield Renewable uses Funds From Operations to assess the performance of the business before the effects of deferred income taxes, depreciation, non-cash portion of non-controlling interests, unrealized gain or loss on financial instruments, non-cash gain or loss from equity-accounted investments and other typical non-recurring items as these are not reflective of the performance of the underlying business. In our unaudited interim consolidated financial statements we use the revaluation approach in accordance with IAS 16, *Property, Plant and Equipment*, whereby depreciation is determined based on a revalued amount, thereby reducing comparability with our peers who do not report under IFRS as issued by the IASB or who do not employ the revaluation approach to measuring property, plant and equipment. We add back deferred income taxes on the basis that we do not believe this item reflects the present value of the actual tax obligations that we expect to incur over our long-term investment horizon.

Brookfield Renewable believes that analysis and presentation of Funds From Operations on this basis will enhance an investor's understanding of the performance of the business. Funds From Operations per Unit is not a substitute measure of performance for earnings per share and does not represent amounts available for distribution to LP Unitholders.

Adjusted Funds From Operations

Adjusted Funds From Operations is a non-IFRS measure used by investors to analyze net earnings from operations without the effects of certain volatile items that generally have no current financial impact or items not directly related to the performance of the business but also adjusted for sustaining capital expenditures.

Adjusted sustaining capital expenditures are an estimate made by management of the amount of ongoing capital investment required to maintain the condition of all our facilities and current revenues.

Annually, Brookfield Renewable determines the fair value of its property, plant and equipment using a 20-year discounted cash flow model with each operational facility having a 20-year capital plan. In addition, the useful lives of property, plant and equipment are determined periodically by independent engineers and are reviewed annually by management.

Management considers several items in estimating adjusted sustaining capital expenditures. Such factors include, but are not limited to, review and analysis of historical capital spending, the annual budgeted capital expenditures, management's 5-year business plan, and independent third-party engineering assessments.

Sustaining capital expenditures do not occur evenly over the life of our assets and may fluctuate depending on the timing of actual project spend.

Adjusted sustaining capital expenditures are intended to reflect an average annual spending level based on the 20-year capital plan and are our best estimate of the long-term capital required to maintain the operations of our facilities. Over time, we expect our average sustaining capital expenditures to be in line with our adjusted long-term sustaining capital forecasts.

Accounting rules require us to recognize a significantly higher level of depreciation for our assets than we are required to reinvest in the business as sustaining capital expenditures. This higher level of depreciation is primarily attributed to: 1) our election to annually fair value property, plant and equipment under IFRS; and 2) accounting useful life is not always reflective of the perpetual nature of a hydroelectric facility.

Brookfield Renewable uses Adjusted Funds From Operations to also assess performance of the business and defines it as Funds From Operations less Brookfield Renewable's proportionate share of adjusted sustaining capital expenditures (based on long-term sustaining capital expenditure plans) which are recurring in nature and used to maintain the reliability and efficiency of our power generating assets over our long-term investment horizon.

Neither Funds From Operations or Adjusted Funds From Operations are intended to be representative of cash provided by operating activities or results of operations determined in accordance with IFRS. Furthermore, these measures are not used by the CODM to assess Brookfield Renewable's liquidity.

PART 9 – CAUTIONARY STATEMENTS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Interim Report 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" provisions 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 Interim Report 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 and payout ratio, future commissioning of assets, contracted nature of our portfolio, technology diversification, acquisition opportunities, expected completion of acquisitions, financing and refinancing opportunities, future energy prices and demand for electricity, economic recovery, achieving long-term average generation, project development and capital expenditure costs, 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. In some cases, 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", "targets", "believes", or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "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 Interim Report 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.

Changes to hydrology at our hydroelectric facilities, to wind conditions at our wind energy facilities, to irradiance at our solar facilities or to weather generally at any of our facilities; volatility in supply and demand in the energy markets; our inability to re-negotiate or replace expiring power purchase agreements on similar terms; increases in water rental costs (or similar fees) or changes to the regulation of water supply; advances in technology that impair or eliminate the competitive advantage of our projects; an increase in the amount of uncontracted generation in our portfolio; industry risks relating to the power markets in which we operate; the termination of, or a change to, the MRE hydrological balancing pool in Brazil; increased regulation of our operations; concessions and licenses expiring and not being renewed or replaced on similar terms; increases in the cost of operating our plants; our failure to comply with conditions in, or our inability to maintain, governmental permits; equipment failures, including relating to wind turbines and solar panels; dam failures and the costs and potential liabilities associated with such failures; force majeure events; uninsurable losses; adverse changes in currency exchange rates and our inability to effectively manage foreign currency exposure; availability and access to interconnection facilities and transmission systems; health, safety, security and environmental risks; disputes, governmental and regulatory investigations and litigation; counterparties to our contracts not fulfilling their obligations; the time and expense of enforcing contracts against non-performing counter-parties and the uncertainty of success; our operations being affected by local communities; fraud, bribery, corruption, other illegal acts or inadequate or failed internal processes or systems; our reliance on computerized business systems, which could expose us to cyber-attacks; newly developed technologies in which we invest not performing as anticipated; labor disruptions and economically unfavorable collective bargaining agreements; our inability to finance our operations due to the status of the capital markets; operating and financial restrictions imposed on us by our loan, debt and security agreements; changes to our credit ratings; our inability to identify sufficient investment opportunities and complete transactions; the growth of our portfolio and our inability to realize the expected benefits of our *transactions or acquisitions; our inability to develop greenfield projects or find new sites suitable for the development of greenfield projects; delays, cost overruns and other problems associated with the construction and operation of generating facilities and risks associated with the 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; we do not have control over all our operations or investments; foreign laws or regulation to which we become subject as a result of future acquisitions in new markets; changes to government policies that provide incentives for renewable energy; a decline in the value of our investments in securities, including publicly traded securities of other companies; we are not subject to the same disclosure requirements as a U.S. domestic issuer; the separation of economic interest from control within our organizational structure; the incurrence of debt at multiple levels within our organizational structure; being deemed an "investment company" under the U.S. Investment Company Act of 1940; the effectiveness of our internal controls over financial reporting; our dependence on Brookfield Asset Management and Brookfield Asset Management's significant influence over us; the departure of some or all of Brookfield Asset Management's key professionals; changes in how Brookfield Asset Management elects to hold its ownership interests in Brookfield Renewable; and Brookfield Asset Management acting in a way that is not in the best interests of Brookfield Renewable or our unitholders.*

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 Interim Report 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 Interim Report contains references to Adjusted EBITDA, Funds From Operations, Adjusted Funds From Operations and Funds From Operations per Unit which are not generally accepted accounting measures under IFRS and therefore may differ from definitions of Adjusted EBITDA, Funds From Operations, Adjusted Funds From Operations and Funds From Operations per Unit used by other entities. In particular, our definition of Funds From Operations and Adjusted Funds From Operations may differ from the definition of funds from operations used by other organizations, as well as the definition of funds from operations used by the Real Property Association of Canada and the National Association of Real Estate Investment Trusts, Inc. ("NAREIT"), in part because the NAREIT definition is based on U.S. GAAP, as opposed to IFRS. We believe that Adjusted EBITDA, Funds From Operations, Adjusted Funds From Operations and Funds From Operations per Unit 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, Adjusted 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.

A reconciliation of Adjusted EBITDA, Funds From Operations and Adjusted Funds From Operations to net income is presented in our Management's Discussion and Analysis. We have also provided a reconciliation of Adjusted EBITDA and Funds From Operations to net income in Note 5 - Segmented information in the unaudited interim consolidated financial statements.

BROOKFIELD RENEWABLE PARTNERS L.P.
CONSOLIDATED STATEMENTS OF INCOME

UNAUDITED (MILLIONS, EXCEPT AS NOTED)	Notes	Three months ended Jun 30 2018	2017	Six months ended Jun 30 2018	2017
Revenues	19	$ 735	$ 683	$ 1,528	$ 1,360
Other income		10	10	19	18
Direct operating costs		(247)	(240)	(503)	(473)
Management service costs	19	(21)	(21)	(42)	(37)
Interest expense – borrowings	8	(178)	(156)	(358)	(319)
Share of gain (loss) from equity-accounted investments	13	6	2	6	(1)
Foreign exchange and unrealized financial instruments loss	4	(33)	(6)	(25)	(26)
Depreciation	7	(206)	(198)	(419)	(398)
Other		(10)	23	(54)	21
Income tax expense					
Current		(7)	4	(14)	(12)
Deferred		(4)	(16)	(13)	(21)
		(11)	(12)	(27)	(33)
Net income		$ 45	$ 85	$ 125	$ 112
Net income attributable to:					
Non-controlling interests					
Participating non-controlling interests - in operating subsidiaries	9	$ 31	$ 34	$ 87	$ 33
General partnership interest in a holding subsidiary held by Brookfield	9	-	1	-	1
Participating non-controlling interests - in a holding subsidiary - Redeemable/ Exchangeable units held by Brookfield	9	(1)	16	2	23
Preferred equity	9	6	6	13	12
Preferred limited partners' equity	10	10	7	19	13
Limited partners' equity	11	(1)	21	4	30
		$ 45	$ 85	$ 125	$ 112
Basic and diluted (loss) earnings per LP Unit		$ (0.01)	$ 0.13	$ 0.02	$ 0.18

The accompanying notes are an integral part of these interim consolidated financial statements.

BROOKFIELD RENEWABLE PARTNERS L.P.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

UNAUDITED (MILLIONS)	Notes	Three months ended Jun 30 2018	Three months ended Jun 30 2017	Six months ended Jun 30 2018	Six months ended Jun 30 2017
Net income		$ 45	$ 85	$ 125	$ 112
Other comprehensive income that will not be reclassified to net income					
Revaluations of property, plant and equipment	7	179	11	176	11
Actuarial gain on defined benefit plans		1	-	5	1
Deferred income taxes on above items		(51)	(2)	(51)	(2)
Total items that will not be reclassified to net income		129	9	130	10
Other comprehensive (loss) income that may be reclassified to net income					
Foreign currency translation		(637)	(234)	(408)	17
(Losses) gains arising during the period on financial instruments designated as cash-flow hedges	4	(3)	8	14	21
Unrealized gain on foreign exchange swaps - net investment hedge	4	57	(37)	61	(45)
Unrealized (loss) gain on investments in equity and debt securities	4	(4)	8	(11)	11
Reclassification adjustments for amounts recognized in net income	4	3	(9)	14	(8)
Deferred income taxes on above items		(5)	5	(16)	4
Total items that may be reclassified subsequently to net income		(589)	(259)	(346)	-
Other comprehensive (loss) income		(460)	(250)	(216)	10
Comprehensive (loss) income		$ (415)	$ (165)	$ (91)	$ 122
Comprehensive (loss) income attributable to:					
Non-controlling interests					
Participating non-controlling interests - in operating subsidiaries	9	$ (118)	$ (130)	$ 139	$ 12
General partnership interest in a holding subsidiary held by Brookfield	9	(3)	-	(2)	1
Participating non-controlling interests - in a holding subsidiary - Redeemable/Exchangeable units held by Brookfield	9	(126)	(28)	(98)	27
Preferred equity	9	(4)	23	(13)	34
Preferred limited partners' equity	10	10	7	19	13
Limited partners' equity	11	(174)	(37)	(136)	35
		$ (415)	$ (165)	$ (91)	$ 122

The accompanying notes are an integral part of these interim consolidated financial statements.

BROOKFIELD RENEWABLE PARTNERS L.P.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

UNAUDITED (MILLIONS)	Notes	Jun 30 2018	Dec 31 2017
Assets			
Current assets			
Cash and cash equivalents	14	$ 237	$ 799
Restricted cash	15	179	181
Trade receivables and other current assets	16	503	554
Financial instrument assets	4	64	72
Due from related parties		51	60
Assets held for sale	3	799	-
		1,833	1,666
Financial instrument assets	4	153	113
Equity-accounted investments	13	1,123	721
Property, plant and equipment, at fair value	7	25,774	27,096
Goodwill	12	918	901
Deferred income tax assets		178	177
Other long-term assets		111	230
		$ 30,090	$ 30,904
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	17	$ 454	$ 542
Financial instrument liabilities	4	106	184
Due to related parties	19	307	112
Current portion of long-term debt	8	929	1,676
Liabilities directly associated with assets held for sale	3	563	-
		2,359	2,514
Financial instrument liabilities	4	52	86
Long-term debt and credit facilities	8	10,045	10,090
Deferred income tax liabilities		3,575	3,588
Other long-term liabilities		333	344
		16,364	16,622
Equity			
Non-controlling interests			
Participating non-controlling interests - in operating subsidiaries	9	6,140	6,298
General partnership interest in a holding subsidiary held by Brookfield	9	53	58
Participating non-controlling interests - in a holding subsidiary - Redeemable/Exchangeable units held by Brookfield	9	2,609	2,843
Preferred equity	9	589	616
Preferred limited partners' equity	10	707	511
Limited partners' equity	11	3,628	3,956
		13,726	14,282
		$ 30,090	$ 30,904

The accompanying notes are an integral part of these interim consolidated financial statements.

Approved on behalf of Brookfield Renewable Partners L.P.:

Patricia Zuccotti
Director

David Mann
Director

BROOKFIELD RENEWABLE PARTNERS L.P.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

UNAUDITED THREE MONTHS ENDED JUNE 30 (MILLIONS)		Accumulated other comprehensive income						Non-controlling interests					
	Limited partners' equity	Foreign currency translation	Revaluation surplus	Actuarial losses on defined benefit plans	Cash flow hedges	Available-for-sale invest-ments	Total limited partners' equity	Preferred limited partners' equity	Preferred equity	Participating non-controlling interests - in operating subsidiaries	General partnership interest in a holding subsidiary held by Brookfield	Participating non-controlling interests - in a holding subsidiary - Redeemable /Exchangeable units held by Brookfield	Total equity
Balance, as at March 31, 2018	$ (347)	$ (347)	$ 4,615	$ (8)	$ (23)	$ 11	$ 3,901	$ 707	$ 600	$ 6,404	$ 57	$ 2,804	$ 14,473
Net (loss) income	(1)	-	-	-	-	-	(1)	10	6	31	-	(1)	45
Other comprehensive loss	-	(186)	12	1	2	(2)	(173)	-	(10)	(149)	(3)	(125)	(460)
LP Units purchased for cancellation (Note 11)	(8)	-	-	-	-	-	(8)	-	-	-	-	-	(8)
Distributions or dividends declared	(88)	-	-	-	-	-	(88)	(10)	(7)	(181)	(11)	(64)	(361)
Distribution reinvestment plan	2	-	-	-	-	-	2	-	-	-	-	-	2
Other	(6)	-	1	-	-	-	(5)	-	-	35	10	(5)	35
Change in period	(101)	(186)	13	1	2	(2)	(273)	-	(11)	(264)	(4)	(195)	(747)
Balance, as at June 30, 2018	$ (448)	$ (533)	$ 4,628	$ (7)	$ (21)	$ 9	$ 3,628	$ 707	$ 589	$ 6,140	$ 53	$ 2,609	$ 13,726
Balance, as at March 31, 2017	$ (320)	$ (347)	$ 4,109	$ (7)	$ (28)	$ 26	$ 3,433	$ 511	$ 581	$ 5,627	$ 55	$ 2,666	$ 12,873
Net income	21	-	-	-	-	-	21	7	6	34	1	16	85
Other comprehensive income	-	(63)	2	-	(1)	4	(58)	-	17	(164)	(1)	(44)	(250)
Capital contributions	-	-	-	-	-	-	-	-	-	11	-	-	11
Distributions or dividends declared	(78)	-	-	-	-	-	(78)	(7)	(6)	(161)	(8)	(61)	(321)
Distribution reinvestment plan	2	-	-	-	-	-	2	-	-	-	-	-	2
Other	(4)	-	-	-	-	-	(4)	-	(1)	1	6	(2)	-
Change in period	(59)	(63)	2	-	(1)	4	(117)	-	16	(279)	(2)	(91)	(473)
Balance, as at June 30, 2017	$ (379)	$ (410)	$ 4,111	$ (7)	$ (29)	$ 30	$ 3,316	$ 511	$ 597	$ 5,348	$ 53	$ 2,575	$ 12,400

The accompanying notes are an integral part of these interim consolidated financial statements.

BROOKFIELD RENEWABLE PARTNERS L.P.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Accumulated other comprehensive income (loss)							Non-controlling interests				
UNAUDITED SIX MONTHS ENDED JUNE 30 (MILLIONS)	Limited partners'	Foreign currency translation	Revaluation surplus	Actuarial losses on defined benefit plans	Cash flow hedges	Available-for-sale invest-ments	Total limited partners' equity	Preferred limited partners' equity	Preferred equity	Participating non-controlling interests - in operating subsidiaries	General partnership interest in a holding subsidiary held by Brookfield	Participating non-controlling interests - in a holding subsidiary - Redeemable /Exchangeable units held by Brookfield	Total equity
Balance, as at December 31, 2017	$ (259)	$ (378)	$ 4,616	$ (9)	$ (29)	$ 15	$ 3,956	$ 511	$ 616	$ 6,298	$ 58	$ 2,843	$ 14,282
Net income	4	-	-	-	-	-	4	19	13	87	-	2	125
Other comprehensive income (loss)	-	(155)	11	2	8	(6)	(140)	-	(26)	52	(2)	(100)	(216)
Preferred LP Units issued (Note 10)	-	-	-	-	-	-	-	196	-	-	-	-	196
LP Units purchased for cancellation (Note 11)	(8)	-	-	-	-	-	(8)	-	-	-	-	-	(8)
Capital contributions (Note 9)	-	-	-	-	-	-	-	-	-	4	-	-	4
Acquisition	-	-	-	-	-	-	-	-	-	21	-	-	21
Distributions or dividends declared	(178)	-	-	-	-	-	(178)	(19)	(14)	(357)	(23)	(128)	(719)
Distribution reinvestment plan	5	-	-	-	-	-	5	-	-	-	-	-	5
Other	(12)	-	1	-	-	-	(11)	-	-	35	20	(8)	36
Change in period	(189)	(155)	12	2	8	(6)	(328)	196	(27)	(158)	(5)	(234)	(556)
Balance, as at June 30, 2018	$ (448)	$ (533)	$ 4,628	$ (7)	$ (21)	$ 9	$ 3,628	$ 707	$ 589	$ 6,140	$ 53	$ 2,609	$ 13,726
Balance, as at December 31, 2016	$ (257)	$ (404)	$ 4,124	$ (8)	$ (31)	$ 24	$ 3,448	$ 324	$ 576	$ 5,589	$ 55	$ 2,680	$ 12,672
Net income	30	-	-	-	-	-	30	13	12	33	1	23	112
Other comprehensive (loss) income	-	(6)	2	1	2	6	5	-	22	(21)	-	4	10
Preferred LP Units and LP Units issued	-	-	-	-	-	-	-	187	-	-	-	-	187
Capital contributions	-	-	-	-	-	-	-	-	-	49	-	-	49
Distributions or dividends declared	(157)	-	-	-	-	-	(157)	(13)	(12)	(296)	(17)	(123)	(618)
Distribution reinvestment plan	5	-	-	-	-	-	5	-	-	-	-	-	5
MTO adjustments	-	-	-	-	-	-	-	-	-	(5)	-	-	(5)
Other	-	-	(15)	-	-	-	(15)	-	(1)	(1)	14	(9)	(12)
Change in period	(122)	(6)	(13)	1	2	6	(132)	187	21	(241)	(2)	(105)	(272)
Balance, as at June 30, 2017	$ (379)	$ (410)	$ 4,111	$ (7)	$ (29)	$ 30	$ 3,316	$ 511	$ 597	$ 5,348	$ 53	$ 2,575	$ 12,400

The accompanying notes are an integral part of these interim consolidated financial statements.

BROOKFIELD RENEWABLE PARTNERS L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS

UNAUDITED (MILLIONS)	Notes	Three months ended Jun 30 2018	 2017	Six months ended Jun 30 2018	 2017
Operating activities					
Net income		$ 45	$ 85	$ 125	$ 112
Adjustments for the following non-cash items:					
Depreciation	7	206	198	419	398
Foreign exchange and unrealized financial instrument loss	4	33	6	25	26
Share of (earnings) loss from equity-accounted investments	13	(6)	(2)	(6)	1
Deferred income tax expense	6	4	16	13	21
Other non-cash items		9	(32)	24	(31)
Dividends received from equity-accounted investments	13	12	3	14	3
Changes in due to or from related parties		(9)	(5)	12	(10)
Net change in working capital balances		(31)	(27)	(63)	22
		263	242	563	542
Financing activities					
Long-term debt - borrowings	8	472	152	1,963	299
Long-term debt - repayments	8	(298)	(207)	(2,233)	(462)
Capital contributions from participating non-controlling interests - in operating subsidiaries	9	-	11	4	49
Acquisition of Isagen from non-controlling interests	9	-	-	-	(5)
Issuance of preferred limited partnership units	10	-	-	196	187
Repurchase of LP Units	10	(8)	-	(8)	-
Distributions paid:					
To participating non-controlling interests - in operating subsidiaries	9	(181)	(161)	(357)	(296)
To preferred shareholders		(6)	(6)	(13)	(12)
To preferred limited partners' unitholders	10	(10)	(6)	(18)	(11)
To unitholders of Brookfield Renewable or BRELP	9, 11	(161)	(145)	(321)	(289)
Borrowings from related party	19	200	-	200	-
		8	(362)	(587)	(540)
Investing activities					
Acquisitions net of cash and cash equivalents in acquired entity	2	-	-	(12)	-
Investment in:					
Sustaining capital expenditures	7	(29)	(33)	(56)	(51)
Development and construction of renewable power generating assets	7	(13)	(40)	(38)	(89)
Proceeds from disposal of assets		-	-	-	150
(Investment in) disposal of securities	4	(13)	-	25	-
Investment in equity accounted investments	13	(420)	(27)	(420)	(39)
Restricted cash and other		49	63	(29)	(22)
		(426)	(37)	(530)	(51)
Foreign exchange loss on cash		(12)	(5)	(8)	-
Cash and cash equivalents					
Decrease		(167)	(162)	(562)	(49)
Balance, beginning of period		404	336	799	223
Balance, end of period		$ 237	$ 174	$ 237	$ 174
Supplemental cash flow information:					
Interest paid		$ 185	$ 188	$ 315	$ 305
Interest received		$ 5	$ 9	$ 12	$ 17
Income taxes paid		$ 10	$ 12	$ 23	$ 28

The accompanying notes are an integral part of these interim consolidated financial statements.

BROOKFIELD RENEWABLE PARTNERS L.P.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The business activities of Brookfield Renewable Partners L.P. (“Brookfield Renewable”) consist of owning a portfolio of renewable power generating facilities primarily in North America, Colombia, Brazil, Europe, India and China.

Unless the context indicates or requires otherwise, the term “Brookfield Renewable” means Brookfield Renewable Partners L.P. and its controlled entities.

Brookfield Renewable is a publicly traded limited partnership established under the laws of Bermuda pursuant to an amended and restated limited partnership agreement dated November 20, 2011.

The registered office of Brookfield Renewable is 73 Front Street, Fifth Floor, Hamilton HM12, Bermuda.

The immediate parent of Brookfield Renewable is its general partner, Brookfield Renewable Partners Limited (“BRPL”). The ultimate parent of Brookfield Renewable is Brookfield Asset Management Inc. (“Brookfield Asset Management”). Brookfield Asset Management and its subsidiaries, other than Brookfield Renewable, are also individually and collectively referred to as “Brookfield” in these financial statements.

Brookfield Renewable’s non-voting limited partnership units (“LP Units”) are traded under the symbol “BEP” on the New York Stock Exchange and under the symbol “BEP.UN” on the Toronto Stock Exchange. Brookfield Renewable’s Class A Series 5, Series 7, Series 9, Series 11 and Series 13 preferred limited partners’ equity are traded under the symbols “BEP.PR.E”, “BEP.PR.G”, “BEP.PR.I”, “BEP.PR.K” and “BEP.PR.M” respectively, on the Toronto Stock Exchange.

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting.

Certain information and footnote disclosures normally included in the annual audited consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. These interim consolidated financial statements should be read in conjunction with Brookfield Renewable's December 31, 2017 audited consolidated financial statements. Except for the recently adopted IFRS 9, Financial Instruments ("IFRS 9") and IFRS 15, Revenue from Contracts with Customers ("IFRS 15"), the interim consolidated statements have been prepared on a basis consistent with the accounting policies disclosed in the December 31, 2017 audited consolidated financial statements.

The interim consolidated financial statements are unaudited and reflect adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary to provide a fair statement of results for the interim periods in accordance with IFRS.

The results reported in these interim consolidated financial statements should not be regarded as necessarily indicative of results that may be expected for an entire year. The policies set out below are consistently applied to all periods presented, unless otherwise noted.

These consolidated financial statements have been authorized for issuance by the Board of Directors of its general partner, BRPL, on August 3, 2018.

Certain comparative figures have been reclassified to conform to the current year's presentation.

References to $, C$, €, R$, COP, and ZAR are to United States ("U.S.") dollars, Canadian dollars, Euros, Brazilian reais, Colombian pesos, and South African rand, respectively.

All figures are presented in millions of U.S. dollars unless otherwise noted.

(b) Basis of preparation

The interim consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of property, plant and equipment and certain assets and liabilities which have been measured at fair value. Cost is recorded based on the fair value of the consideration given in exchange for assets.

Consolidation

These interim consolidated financial statements include the accounts of Brookfield Renewable and its subsidiaries, which are the entities over which Brookfield Renewable has control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Non-controlling interests in the equity of Brookfield Renewable's subsidiaries are shown separately in equity in the interim consolidated statements of financial position.

Revenue Recognition

The majority of revenue is derived from the sale of power and power related ancillary services both under contract and in the open market, sourced from Brookfield Renewable's power generating facilities. The obligations are satisfied over time as the customer simultaneously receives and consumes benefits as

Brookfield Renewable delivers electricity and related products. Revenue is recorded based upon the output delivered and capacity provided at rates specified under either contract terms or prevailing market rates. The revenue reflects the consideration Brookfield Renewable expects to be entitled to in exchange for those goods or services. Costs related to the purchases of power or fuel are recorded upon delivery. All other costs are recorded as incurred.

Details of the revenue recognized per geographical region are included in Note 5 – Segmented information.

Brookfield Renewable has elected the practical expedient available under IFRS 15 for measuring progress toward complete satisfaction of a performance obligation and for disclosure requirements of remaining performance obligations. The practical expedient allows an entity to recognize revenue in the amount to which the entity has the right to invoice such that the entity has a right to the consideration in an amount that corresponds directly with the value to the customer for performance completed to date by the entity.

Brookfield Renewable also sells power and related products under bundled arrangements. Energy, capacity and renewable credits within power purchase agreements (“PPA”) are considered to be distinct performance obligations. A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied under IFRS 15. Brookfield Renewable views the sale of energy and capacity as a series of distinct goods that is substantially the same and has the same pattern of transfer measured by the output method. Brookfield Renewable views renewable credits to be performance obligations satisfied at a point in time. Measurement of satisfaction and transfer of control to the customer of renewable credits in a bundled arrangement coincides with the pattern of revenue recognition of the underlying energy generation. Accordingly, Brookfield Renewable has determined that the pattern of revenue recognition under IFRS 15 is consistent with IAS 18.

Revenues recognized that are outside the scope of IFRS 15 include realized gains and losses from derivatives used in the risk management of the Brookfield Renewable's generation activities related to commodity prices. Financial transactions included in revenues for the three and six months ended June 30, 2018 decreased revenues by $6 million and $17 million, respectively (2017: $5 million and $8 million, respectively).

(c) Recently adopted accounting standards

IFRS 15 – Revenue from contracts with customers

On January 1, 2018 Brookfield Renewable adopted IFRS 15 using the modified retrospective method applied to those contracts which were not completed as of January 1, 2018. The new standard replaces the majority of existing IFRS requirements on revenue recognition including IAS 18, Revenue, IAS 11, Construction Contracts and related interpretations. The core principle of the standard is to recognize revenue to depict the transfer of goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard has prescribed a five-step model to apply the principles which requires the identification of a contract with a customer, the identification of performance obligations with the contract, determination of the transaction price, the allocation of the transaction price to the performance obligations and the recognition of revenue when performance obligations have been satisfied. The standard also specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract as well as requiring more informative and relevant disclosures. IFRS 15 applies to nearly all contracts with customers, unless covered by another standard, such as leases, financial instruments and insurance contracts.

The pattern and timing of revenue recognition under the new standard is consistent with prior practice. There have been no adjustments recognized on the adoption of IFRS 15.

IFRS 9 – Financial instruments

Brookfield Renewable adopted IFRS 9, as issued by the IASB in 2014, which provide more reliable and relevant information for users to assess the amounts, timing and uncertainty of future cash flows. The new accounting policies were applied retrospectively from January 1, 2018 and, in accordance with the transitional provisions in IFRS 9, comparative figures were not restated. The adoption of IFRS 9 did not result in any material transition adjustments being recognized as at January 1, 2018

IFRS 9 replaces certain provisions of IAS 39, "Financial Instruments Recognition and Measurement" ("IAS 39") that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets; and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7, "Financial Instruments: Disclosures".

(d) Changes to and impact of financial instrument accounting policies

The following accounting policies are applicable to the accounting for financial instruments from January 1, 2018 under IFRS 9 and differ from past practice under IAS 39. For the accounting policies that apply to comparative information, refer to the December 31, 2017 audited consolidated financial statements.

Recognition and Derecognition

Regular purchases and sales of financial assets are recognized on the trade-date, being the date on which Brookfield Renewable commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and Brookfield Renewable has transferred substantially all the risk and rewards of ownership.

Classification

From January 1, 2018, Brookfield Renewable classified its financial assets in the following measurement categories:

- Those measured at fair value through other comprehensive income ("FVOCI");
- Those measured at fair value through profit and loss ("FVPL"); and
- Those measured at amortized cost.

The classification of financial assets depends on the Brookfield Renewable's business objectives for managing the financial assets and whether contractual terms of the cash flows are considered solely payments of principal and interest. For assets measured at fair value, gains and losses will either be recorded in profit and loss or other comprehensive income ("OCI") depending on the business objective. Brookfield Renewable reclassifies financial assets when and only when its business objective for managing those assets changes.

Equity investments are classified either as FVPL or FVOCI, depending on Brookfield Renewable's objectives for managing the investment with assets acquired for purposes other than short term trading designated as FVOCI.

Classification of financial liabilities under IFRS 9 is unchanged from IAS 39.

As at January 1, 2018, the date of initial application, Brookfield Renewable's financial instruments and new classification categories under IFRS 9 were as follows:

	Classification category		
	IAS 39	**IFRS 9**	**Carrying amount IAS 39 and IFRS 9 ($ Millions)**
Financial assets			
Cash and cash equivalents	FVPL	Amortized cost	799
Restricted cash[(1)]	FVPL	Amortized cost	284
Trade receivables and other current assets	Loans and receivables	Amortized cost	554
Financial instrument assets - investments in equity and debt securities[(1)(2)]	Available-for-sale	FVOCI	159
Financial instrument assets - derivative financial instruments[(1)(3)]	FVPL	FVPL	20
Financial instrument assets - derivative financial instruments designated as hedges[(1)(3)]	Financial instruments designated as hedges	Financial instruments designated as hedges	6
Due from related parties	Loans and receivables	Amortized cost	60
Financial liabilities			
Accounts payable and accrued liabilities	Other liabilities	Amortized cost	542
Financial instrument liabilities - derivative financial instruments[(1)(3)]	FVPL	FVPL	145
Financial instrument liabilities - derivative financial instruments designated as hedges[(1)(3)]	Financial instruments designated as hedges	Financial instruments designated as hedges	125
Due to related parties	Other liabilities	Amortized cost	112
Long-term debt and credit facilities[(1)]	Other liabilities	Amortized cost	11,766

(1) Includes both current and non-current portions.
(2) Investments in equity and debt securities were originally referred to as available-for-sale securities in the 2017 annual consolidated financial statements.
(3) Derivative financial instruments comprise of energy derivative contracts, interest rate swaps and foreign exchange swaps.

Measurement

At initial recognition, financial assets are measured at fair value. For financial assets not classified as FVPL, transaction costs are included in the initial measurement. For assets classified as FVPL, transaction costs are expensed as incurred.

Under IFRS 9, embedded derivatives are not separated from financial assets, but variability in cash flows is considered in determining whether such cash flows are solely for payments of principal and interest. Accounting for embedded derivatives in financial liabilities and non-financial host contracts has not changed.

Subsequent measurement of financial assets depends on the business objective for managing the asset and the cash flow characteristics of the asset. Measurement of assets within the three categories are as follows:

Amortized cost – Assets held for collection of contractual cash flows that represent solely payments of principal and interest are measured at amortized cost. Interest income is recognized as other income in the financial statements, and gains/losses are recognized in profit or loss when the asset is derecognized or impaired.

FVOCI – Debt Instruments: Assets held to achieve a particular business objective by collecting contractual cash flows that consist solely of payments of principal and interest outstanding and selling financial assets are measured at FVOCI. Movements in the carry amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in “Other Income” using the effective interest rate method.

FVOCI – Equity Instruments: Assets held to achieve a particular business objective other than short term trading are designated at FVOCI. Unlike debt instruments designated at FVOCI, there is no recycling of gains or losses through profit and loss. Upon derecognition of the asset, accumulated gains or losses are transferred from OCI directly to retained earnings.

FVPL – Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL.

IFRS 9 requirements for measurement of financial liabilities are aligned with IAS 39, with the exception that IFRS 9 introduces an additional requirement to present the change in fair value due to changes in Brookfield Renewable’s own credit risk in OCI instead of profit and loss in the case of liabilities designated under the fair value option as FVPL.

Impairment

From January 1, 2018, Brookfield Renewable assesses on a forward-looking basis the expected credit losses (“ECL”) associated with its assets carried at amortized cost and FVOCI, including finance lease receivables. For trade receivables only, Brookfield Renewable applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The simplified approach to the recognition of ECL does not require entities to track the changes in credit risk; rather, entities recognize a loss allowance at each reporting date based on the lifetime ECL since the date of initial recognition of the trade receivable.

Evidence of impairment may include:

- Indications that a debtor or group of debtors is experiencing significant financial difficulty;
- A default of delinquency in interest or principal payments;
- Probability that a debtor or a group of debtors will enter into bankruptcy or other financial reorganization;
- Changes in arrears or economic conditions that correlate with defaults, where observable data indicates that there is a measureable decrease in the estimated future cash flows.

Trade receivables are reviewed qualitatively on a case by case basis to determine if they need to be written off.

ECL are measured as the difference in the present value of the contractual cash flows that are due under contract and the cash flows expected to be received. ECL is measured by considering the risk of default over the contract period and incorporates forward looking information into its measurement.

Measurement of ECL on financial assets resulted in immaterial amounts; therefore, an allowance for doubtful accounts was not recorded.

Derivatives and hedge accounting

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

Brookfield Renewable designates its derivatives as hedges of:

- Foreign exchange risk associated with the cash flows of highly probable forecast transactions (cash flow hedges);
- Foreign exchange risk associated with net investment in foreign operations (net investment hedges);
- Commodity price risk associated with cash flows of highly probable forecast transactions (cash flow hedges); and
- Floating interest rate risk associated with payments of debts (cash flow hedges).

The fair values of various derivative financial instruments used for hedging purposes and movements in the hedge reserve within equity are shown in Note 4.

When a hedging instrument expires, is sold, is terminated, or no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remain in equity until the forecasted transaction occurs. When the forecasted transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging are immediately reclassified to profit and loss.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit and loss at the time of the hedge relationship rebalancing.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the cash flow hedge reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit and loss, within “unrealized financial instruments gain (loss)”.

Gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedge reserve within equity. Amounts accumulated in equity are reclassified in the period when the hedged item affects profit and loss.

Net investment hedges that qualify for hedge accounting

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in OCI and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit and loss within “foreign exchange and unrealized financial instruments gain (loss)”. Gains and losses accumulated in equity will be reclassified to profit and loss when the foreign operation is partially disposed of or sold.

Hedge ineffectiveness

Brookfield Renewable's hedging policy only allows for the use of derivative instruments that form effective hedge relationships. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. Where the critical terms of the hedging instrument match exactly with the terms of the hedged item, a qualitative assessment of effectiveness is performed. For other hedge relationships, the hypothetical derivative method to assess effectiveness is used.

(e) Future changes in accounting policies

The following table provides a brief description of accounting standards issued but not yet effective, none of which will be early adopted by Brookfield Renewable:

Standard	Description	Effective date	Effect on financial statements
In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16").	IFRS 16 brings most leases onto the statement of financial position for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting remains largely unchanged and the distinction between operating and finance leases is retained. Under IFRS 16 a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly, and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease. Lessees are permitted to make an accounting policy election, by class of underlying asset, to apply a method like IAS 17's operating lease accounting and not recognize lease assets and lease liabilities for leases with a lease term of 12 months or less, and on a lease-by-lease basis, to apply a method similar to current operating lease accounting to leases for which the underlying asset is of low value. IFRS 16 supersedes IAS 17, Leases and related interpretations. A lessee will apply IFRS 16 to its leases either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying IFRS 16 being recognized at the date of initial application.	The standard has a mandatory effective date for annual periods beginning on or after January 1, 2019, with early adoption permitted.	Management has formed its adoption working group and participated in planning sessions with Brookfield Asset Management. Initial scoping has been completed and preliminary quantification is underway. Management continues to evaluate the impact of IFRS 16 on the consolidated financial statements and the related internal controls over financial reporting, including IT systems used by the Partnership.

2. ACQUISITIONS

The following investment was accounted for using the acquisition method, and the results of operations have been included in the consolidated financial statements since the date of acquisition.

Brookfield Renewable previously acquired TerraForm Global, Inc. (“GLBL”) on December 28th, 2017. Included in the net identifiable assets of GLBL was $56 million in restricted cash and deposits for the acquisition of controlling interests (ranging between 65% and 70%) in three separate companies that cumulatively operate 49 MW of wind and solar assets in South Africa (“BioTherm”).

In March 2018, Brookfield Renewable acquired BioTherm for a total consideration of $71 million. This amount was transferred in two tranches and included the aforementioned deposit which was a cash payment of $12 million and deferred consideration of $3 million.

The total acquisition costs of less than $1 million were expensed as incurred and have been classified under Other in the consolidated statement of income.

The provisional purchase price allocation, at fair value, with respect to the acquisition is as follows:

(MILLIONS)		
Cash and cash equivalents	$	12
Trade receivables and other current assets		7
Property, plant and equipment, at fair value		158
Current liabilities		(3)
Current portion of long-term debt		(3)
Financial instruments		(2)
Long-term debt		(69)
Deferred income tax liabilities		(35)
Non-controlling interests		(21)
Fair value of net assets acquired		44
Goodwill (Note 12)		27
Purchase price	$	71

3. ASSETS HELD FOR SALE

In July 2018, Brookfield Renewable, along with its institutional partners, entered into an agreement to sell its controlling interest in a 178 MW wind and solar portfolio in South Africa (“South Africa Portfolio”) for a total consideration of ZAR 2,031 million (approximately $166 million – Brookfield Renewable’s share totaling approximately $50 million). The transaction is subject to closing conditions, including regulatory and lender approvals. Brookfield Renewable holds a 31% economic interest and 100% voting interest in the South Africa Portfolio. The proportionate amount of consideration attributable to the institutional partners upon the closing of the transaction approximates their economic interest in the South Africa Portfolio. Each of the project entities included in the South Africa Portfolio contain additional non-controlling economic interest ranging between 30% and 49%.

The carrying amounts of the assets and directly associated liabilities classified as held for sale are $799 million and $563 million, respectively, as at June 30, 2018. These carrying amounts have been presented separately in the consolidated statement of financial position. A revaluation of the South Africa Portfolio was performed in accordance with our accounting policy election to apply the revaluation method. The cumulative amount recognized in other comprehensive income relating to limited partners’ equity for the South Africa Portfolio is $13 million.

Brookfield Renewable continues to consolidate and recognize, in the consolidated statements of income, consolidated statements of comprehensive income (loss), and the consolidated statements of cash flows, the revenues, expenses and cash flows associated with the assets. Non-current assets classified as held for sale are not depreciated.

The major items of assets and liabilities reclassified as held for sale are as follows:

(MILLIONS)		
Assets		
Cash and cash equivalents	$	18
Restricted cash		20
Trade receivables and other current assets		16
Property, plant and equipment, at fair value		651
Goodwill		23
Other long-term assets		71
Assets held for sale	$	799
Liabilities		
Current liabilities	$	32
Long-term debt		378
Other long-term liabilities		153
Liabilities directly associated with assets held for sale	$	563

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

RISK MANAGEMENT

Brookfield Renewable's activities expose it to a variety of financial risks, including market risk (i.e., commodity price risk, interest rate risk, and foreign currency risk), credit risk and liquidity risk. Brookfield Renewable uses financial instruments primarily to manage these risks.

There have been no material changes in exposure to these risks since the December 31, 2017 audited consolidated financial statements.

Fair value disclosures

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values determined using valuation models require the use of assumptions concerning the amount and timing of estimated future cash flows and discount rates. In determining those assumptions, management looks primarily to external readily observable market inputs such as interest rate yield curves, currency rates, commodity prices and, as applicable, credit spreads.

A fair value measurement of a non-financial asset is the consideration that would be received in an orderly transaction between market participants, considering the highest and best use of the asset.

Assets and liabilities measured at fair value are categorized into one of three hierarchy levels, described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities.

Level 1 – inputs are based on unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2 – inputs, other than quoted prices in Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 – inputs for the asset or liability that are not based on observable market data.

The following table presents Brookfield Renewable's assets and liabilities measured and disclosed at fair value classified by the fair value hierarchy:

(MILLIONS)	Jun 30, 2018 Level 1	Level 2	Level 3	Total	Dec 31 2017
Assets measured at fair value:					
Cash and cash equivalents	$ 237	$ -	$ -	$ 237	$ 799
Restricted cash[1]	223	-	-	223	284
Financial instrument assets[2][3]					
Energy derivative contracts	-	4	-	4	-
Interest rate swaps	-	16	-	16	6
Foreign exchange swaps	-	72	-	72	20
Investments in equity and debt securities[2]	61	64	-	125	159
Property, plant and equipment	-	-	25,774	25,774	27,096
Liabilities measured at fair value:					
Financial instrument liabilities[3]					
Energy derivative contracts	-	(10)	-	(10)	(19)
Interest rate swaps	-	(134)	-	(134)	(155)
Foreign exchange swaps	-	(14)	-	(14)	(96)
Contingent consideration[4]	-	-	(17)	(17)	(18)
Assets for which fair value is disclosed:					
Equity-accounted investments	733	-	-	733	278
Liabilities for which fair value is disclosed:					
Long-term debt and credit facilities	-	(11,446)	-	(11,446)	(12,479)
Total	$ 1,254	$ (11,448)	$ 25,757	$ 15,563	$ 15,875

(1) Includes both the current amount and long-term amount included in Other long-term assets.
(2) Amounts in Level 2 include Brookfield Infrastructure Debt Fund holdings.
(3) Includes both current and long-term amounts.
(4) Amount relates to business combinations with obligations lapsing in 2021 and 2024.

There were no transfers between levels during the six months ended June 30, 2018.

Financial instruments disclosures

The aggregate amount of Brookfield Renewable's net financial instrument positions are as follows:

(MILLIONS)	2018 Assets	Liabilities	Net Assets (Liabilities)	2017 Net Assets (Liabilities)
Energy derivative contracts	$ 4	$ 10	$ (6)	$ (19)
Interest rate swaps	16	134	(118)	(149)
Foreign exchange swaps	72	14	58	(76)
Investments in equity and debt securities	125	-	125	159
Total	217	158	59	(85)
Less: current portion	64	106	(42)	(112)
Long-term portion	$ 153	$ 52	$ 101	$ 27

(a) Energy derivative contracts

Brookfield Renewable has entered into long-term energy derivative contracts primarily to stabilize or eliminate the price risk on the sale of certain future power generation. Certain energy contracts are recorded in Brookfield Renewable's interim consolidated financial statements at an amount equal to fair value, using quoted market prices or, in their absence, a valuation model using both internal and third-party evidence and forecasts.

(b) Interest rate hedges

Brookfield Renewable has entered into interest rate hedge contracts primarily to minimize exposure to interest rate fluctuations on its variable rate debt or to lock in interest rates on future debt refinancing. All interest rate hedge contracts are recorded in the interim consolidated financial statements at fair value.

(c) Foreign exchange swaps

Brookfield Renewable has entered into foreign exchange swaps to minimize its exposure to currency fluctuations impacting its investments and earnings in foreign operations, and to fix the exchange rate on certain anticipated transactions denominated in foreign currencies.

(d) Investments in equity and debt securities

Brookfield Renewable's investments in equity and debt securities consist primarily of investments in publicly-quoted securities which are recorded on the statement of financial position at fair value, and investments in debt securities are assessed for impairment at each reporting date.

The following table reflects the unrealized gains (losses) included in Foreign exchange and unrealized financial instrument loss in the interim consolidated statements of income:

(MILLIONS)	Three months ended Jun 30 2018	Three months ended Jun 30 2017	Six months ended Jun 30 2018	Six months ended Jun 30 2017
Energy derivative contracts	$ (2)	$ 2	$ 2	$ -
Interest rate swaps	15	(1)	20	(10)
Foreign exchange swaps - cash flow	62	(7)	46	(16)
Foreign exchange loss	(108)	-	(93)	-
	$ (33)	$ (6)	$ (25)	$ (26)

The following table reflects the unrealized gains (losses) included in other comprehensive income in the interim consolidated statements of comprehensive (loss) income:

(MILLIONS)	Three months ended Jun 30 2018	Three months ended Jun 30 2017	Six months ended Jun 30 2018	Six months ended Jun 30 2017
Energy derivative contracts	$ (4)	$ 9	$ 3	$ 22
Interest rate swaps	1	(1)	11	(1)
	(3)	8	14	21
Foreign exchange swaps - net investment	57	(37)	61	(45)
Investments in equity and debt securities	(4)	8	(11)	11
	$ 50	$ (21)	$ 64	$ (13)

The following table reflects the reclassification adjustments recognized in net income in the interim consolidated statements of comprehensive (loss) income:

(MILLIONS)	Three months ended Jun 30 2018	2017	Six months ended Jun 30 2018	2017
Energy derivative contracts	$ -	$ (7)	$ 8	$ (16)
Interest rate swaps	3	(2)	6	8
	$ 3	$ (9)	$ 14	$ (8)

5. SEGMENTED INFORMATION

Brookfield Renewable's Chief Executive Officer and Chief Financial Officer (collectively, the chief operating decision maker or "CODM") review the results of the business, manage operations, and allocate resources based on the type of technology.

Operations are segmented by technology – 1) hydroelectric, 2) wind, 3) solar, 4) storage & other (cogeneration and biomass), and 5) corporate – with hydroelectric and wind further segmented by geography (i.e., North America, Colombia, Brazil, Europe and Other). This best reflects the way in which the CODM reviews results, manages operations and allocates resources. Brookfield Renewable's investment in the TerraForm Power and TerraForm Global businesses led to the creation of the solar segment which will now be reviewed on a standalone basis. The investment in First Hydro resulted in the creation of a storage segment which will be reviewed along with the cogeneration and biomass businesses, on an aggregate basis. A pumped storage facility in North America, that was previously included in the hydroelectric segment, is now included in the storage and other segment. The Colombia segment aggregates the financial results of its hydroelectric and cogeneration facilities. The corporate segment represents all activity performed above the individual segments for the business.

Reporting to the CODM on the measures utilized to assess performance and allocate resources are on a proportionate basis since the fourth quarter of 2017. Information on a proportionate basis reflects Brookfield Renewable's share from facilities which it accounts for using consolidation and the equity method whereby Brookfield Renewable either controls or exercises significant influence or joint control over the investment, respectively. Proportionate information provides a Unitholder (holders of the GP interest, Redeemable/Exchangeable partnership units, and LP Units) perspective that the CODM considers important when performing internal analyses and making strategic and operating decisions. The CODM also believes that providing proportionate information helps investors understand the impacts of decisions made by management and financial results allocable to Brookfield Renewable's Unitholders.

Proportionate financial information is not, and is not intended to be, presented in accordance with IFRS. Tables reconciling IFRS data with data presented on a proportionate consolidation basis have been disclosed. Segment revenues, other income, direct operating costs, interest expense, depreciation, current and deferred income taxes, and other are items that will differ from results presented in accordance with IFRS as these items (1) include Brookfield Renewable's proportionate share of earnings from equity-accounted investments attributable to each of the above-noted items, and (2) exclude the proportionate share of earnings (loss) of consolidated investments not held by us apportioned to each of the above-noted items.

Segmented net income (loss) is not a measure the CODM uses to review the results of business and allocate resources. Brookfield Renewable does not control those entities that have not been consolidated and as such, have been presented as equity-accounted investments in its financial statements. The presentation of the assets and liabilities and revenues and expenses does not represent Brookfield Renewable's legal claim to such items, and the removal of financial statement amounts that are attributable to non-controlling interests does not extinguish Brookfield Renewable's legal claims or exposures to such items.

Brookfield Renewable reports its results in accordance with these segments and presents prior period segmented information in a consistent manner.

In accordance with IFRS 8, Operating Segments, Brookfield Renewable discloses information about its reportable segments based upon the measures used by the CODM in assessing performance. Except as it relates to proportionate financial information discussed above, the accounting policies of the reportable segments are the same as those described in Note 1 – Basis of preparation and significant accounting policies. Brookfield Renewable analyzes the performance of its operating segments based on revenues, Adjusted EBITDA, and Funds From Operations.

Brookfield Renewable uses Adjusted EBITDA to assess the performance of its operations before the effects of interest expense, income taxes, depreciation, management service costs, non-controlling interests, unrealized gain or loss on financial instruments, non-cash gain or loss from equity-accounted investments, distributions to preferred shareholders and preferred limited partners and other typical non-recurring items. As compared to the preceding years, Brookfield Renewable revised its definition of Adjusted EBITDA to include its proportionate share of Adjusted EBITDA from equity-accounted investments. In preceding years, Brookfield Renewable included its proportionate share of Funds From Operations from equity-accounted investments in Adjusted EBITDA. Brookfield Renewable revised its definition as it believes it provides a more meaningful measure for investors to evaluate financial and operating performance on an allocable basis to Unitholders.

Brookfield Renewable uses Funds From Operations to assess the performance of its operations and is defined as Adjusted EBITDA less management service costs, interest and current income taxes, which is then adjusted for the cash portion of non-controlling interests and distributions to preferred shareholders and preferred limited partners.

The following segmented information is regularly reported to the CODM.

The following table provides each segment's results in the format that management organizes its segments to make operating decisions and assess performance and reconciles Brookfield Renewable's proportionate results to the consolidated statements of income on a line by line basis by aggregating the components comprising the earnings from Brookfield Renewable's investments in associates and reflecting the portion of each line item attributable to non-controlling interests for the three months ended June 30, 2018:

	Attributable to Unitholders											Contribution from equity accounted investments	Attributable to non-controlling interests	As per IFRS financials[1]
	Hydroelectric			Wind				Solar	Storage and Other	Corporate	Total			
($ MILLIONS)	North America	Brazil	Colombia	North America	Europe	Brazil	Other							
Revenues	228	63	53	54	12	10	3	30	20	-	473	(58)	320	735
Other income	5	1	-	-	1	-	-	1	-	-	8	(2)	4	10
Direct operating costs	(68)	(20)	(22)	(16)	(6)	(2)	(1)	(6)	(10)	(6)	(157)	19	(109)	(247)
Share of Adjusted EBITDA from equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	41	4	45
Adjusted EBITDA	165	44	31	38	7	8	2	25	10	(6)	324	-	219	
Management service costs	-	-	-	-	-	-	-	-	-	(21)	(21)	-	-	(21)
Interest expense - borrowings	(40)	(5)	(10)	(14)	(3)	(2)	(1)	(9)	(3)	(23)	(110)	16	(84)	(178)
Current income taxes	(2)	(2)	-	-	(1)	-	-	-	-	-	(5)	1	(3)	(7)
Distributions attributable to														
Preferred limited partners equity	-	-	-	-	-	-	-	-	-	(10)	(10)	-	-	(10)
Preferred equity	-	-	-	-	-	-	-	-	-	(6)	(6)	-	-	(6)
Share of interest and cash taxes from equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	(17)	(4)	(21)
Share of Funds From Operations attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(128)	(128)
Funds From Operations	123	37	21	24	3	6	1	16	7	(66)	172	-	-	
Depreciation	(56)	(33)	(5)	(29)	(9)	(3)	(1)	(7)	(6)	-	(149)	17	(74)	(206)
Foreign exchange and unrealized financial instrument loss	(1)	(1)	4	3	6	(8)	(3)	(4)	-	5	1	(6)	(28)	(33)
Deferred income tax expense	(2)	1	(2)	1	1	-	-	1	-	4	4	(3)	(5)	(4)
Other	(8)	(2)	-	(5)	(3)	-	-	(4)	-	(8)	(30)	10	10	(10)
Share of earnings from equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	(18)	-	(18)
Net loss attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	97	97
Net income (loss) attributable to Unitholders[2]	56	2	18	(6)	(2)	(5)	(3)	2	1	(65)	(2)	-	-	(2)

(1) Share of earnings from equity-accounted investments of $6 million is comprised of amounts found on the share of Adjusted EBITDA, share of interest and cash taxes and share of earnings lines. Net income attributable to participating non-controlling interests – in operating subsidiaries of $31 million is comprised of amounts found on Share of Funds From Operations attributable to non-controlling interests and Net loss attributable to non-controlling interests.

(2) Net income (loss) attributable to Unitholders includes net income (loss) attributable to GP interest, Redeemable/Exchangeable partnership units and LP Units. Total net income (loss) includes amounts attributable to Unitholders, non-controlling interests, preferred limited partners equity and preferred equity.

The following table provides each segment's results in the format that management organizes its segments to make operating decisions and assess performance and reconciles Brookfield Renewable's proportionate results to the consolidated statements of income on a line by line basis by aggregating the components comprising the earnings from Brookfield Renewable's investments in associates and reflecting the portion of each line item attributable to non-controlling interests for the three months ended June 30, 2017:

	Attributable to Unitholders									Contribution from equity accounted investments	Attributable to non-controlling interests	As per IFRS financials(
	Hydroelectric			Wind			Storage and Other	Corporate	Total			
($ MILLIONS)	North America	Brazil	Colombia	North America	Europe	Brazil						
Revenues	270	66	46	40	9	5	11	-	447	(11)	247	683
Other income	-	3	1	-	-	-	-	1	5	-	5	10
Direct operating costs	(71)	(18)	(23)	(9)	(5)	(2)	(7)	(5)	(140)	4	(104)	(240)
Share of Adjusted EBITDA from equity accounted investments	-	-	-	-	-	-	-	-	-	7	-	7
Adjusted EBITDA	199	51	24	31	4	3	4	(4)	312	-	148	
Management service costs	-	-	-	-	-	-	-	(21)	(21)	-	-	(21)
Interest expense - borrowings	(43)	(4)	(10)	(11)	(2)	(1)	(5)	(22)	(98)	3	(61)	(156)
Current income taxes	2	(2)	1	-	-	-	-	-	1	-	3	4
Distributions attributable to												
Preferred limited partners equity	-	-	-	-	-	-	-	(7)	(7)	-	-	(7)
Preferred equity	-	-	-	-	-	-	-	(6)	(6)	-	-	(6)
Share of interest and cash taxes from equity accounted investments	-	-	-	-	-	-	-	-	-	(3)	-	(3)
Share of Funds From Operations attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(90)	(90)
Funds From Operations	158	45	15	20	2	2	(1)	(60)	181	-	-	
Depreciation	(56)	(34)	(8)	(21)	(3)	(2)	(6)	-	(130)	3	(71)	(198)
Foreign exchange and unrealized financial instrument loss	-	-	1	-	(6)	-	-	(7)	(12)	-	6	(6)
Deferred income tax (expense) recovery	(11)	-	(4)	6	1	-	-	5	(3)	-	(13)	(16)
Other	(9)	(5)	7	2	2	1	4	-	2	(1)	22	23
Share of earnings from equity accounted investments	-	-	-	-	-	-	-	-	-	(2)	-	(2)
Net loss attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	56	56
Net income (loss) attributable to Unitholders[2]	82	6	11	7	(4)	1	(3)	(62)	38	-	-	38

(1) Share of earnings from equity-accounted investments of $2 million is comprised of amounts found on the share of Adjusted EBITDA, share of interest and cash taxes and share of earnings lines. Net income attributable to participating non-controlling interests – in operating subsidiaries of $34 million is comprised of amounts found on Share of Funds From Operations attributable to non-controlling interests and Net loss attributable to non-controlling interests.

(2) Net income (loss) attributable to Unitholders includes net income (loss) attributable to GP interest, Redeemable/Exchangeable partnership units and LP Units. Total net income (loss) includes amounts attributable to Unitholders, non-controlling interests, preferred limited partners equity and preferred equity.

The following table provides each segment's results in the format that management organizes its segments to make operating decisions and assess performance and reconciles Brookfield Renewable's proportionate results to the consolidated statements of income on a line by line basis by aggregating the components comprising the earnings from Brookfield Renewable's investments in associates and reflecting the portion of each line item attributable to non-controlling interests for the six months ended June 30, 2018:

	Attributable to Unitholders													
	Hydroelectric			Wind										
($ MILLIONS)	North America	Brazil	Colombia	North America	Europe	Brazil	Other	Solar	Storage and Other	Corporate	Total	Contribution from equity accounted investments	Attributable to non-controlling interests	As per IFRS financials[1]
Revenues	489	132	106	108	29	18	5	48	37	-	972	(97)	653	1,528
Other income	5	2	1	1	1	-	-	3	-	1	14	(4)	9	19
Direct operating costs	(138)	(39)	(45)	(30)	(12)	(5)	(2)	(10)	(18)	(12)	(311)	32	(224)	(503)
Share of Adjusted EBITDA from equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	69	12	81
Adjusted EBITDA	356	95	62	79	18	13	3	41	19	(11)	675	-	450	-
Management service costs	-	-	-	-	-	-	-	-	-	(42)	(42)	-	-	(42)
Interest expense - borrowings	(84)	(12)	(20)	(28)	(6)	(4)	(2)	(15)	(7)	(48)	(226)	25	(157)	(358)
Current income taxes	(3)	(5)	-	(1)	(1)	-	-	-	-	-	(10)	1	(5)	(14)
Distributions attributable to														
Preferred limited partners equity	-	-	-	-	-	-	-	-	-	(19)	(19)	-	-	(19)
Preferred equity	-	-	-	-	-	-	-	-	-	(13)	(13)	-	-	(13)
Share of interest and cash taxes from equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	(26)	(10)	(36)
Share of Funds From Operations attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(278)	(278)
Funds From Operations	269	78	42	50	11	9	1	26	12	(133)	365	-	-	-
Depreciation	(113)	(71)	(10)	(55)	(17)	(7)	(2)	(13)	(12)	-	(300)	29	(148)	(419)
Foreign exchange and unrealized financial instrument loss	1	(1)	1	3	5	(8)	(1)	(3)	(2)	13	8	(6)	(27)	(25)
Deferred income tax expense	(6)	1	(3)	(5)	1	-	-	-	-	9	(3)	(1)	(9)	(13)
Other	(18)	(4)	-	(5)	(3)	-	(2)	(10)	(9)	(13)	(64)	17	(7)	(54)
Share of earnings from equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	(39)	-	(39)
Net income attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	191	191
Net income (loss) attributable to Unitholders[2]	133	3	30	(12)	(3)	(6)	(4)	-	(11)	(124)	6	-	-	6

(1) Share of earnings from equity-accounted investments of $6 million is comprised of amounts found on the share of Adjusted EBITDA, share of interest and cash taxes and share of earnings lines. Net income attributable to participating non-controlling interests – in operating subsidiaries of $87 million is comprised of amounts found on Share of Funds From Operations attributable to non-controlling interests and Net Income attributable to non-controlling interests.

(2) Net income (loss) attributable to Unitholders includes net income (loss) attributable to GP interest, Redeemable/Exchangeable partnership units and LP Units. Total net income (loss) includes amounts attributable to Unitholders, non-controlling interests, preferred limited partners equity and preferred equity.

The following table provides each segment's results in the format that management organizes its segments to make operating decisions and assess performance and reconciles Brookfield Renewable's proportionate results to the consolidated statements of income on a line by line basis by aggregating the components comprising the earnings from Brookfield Renewable's investments in associates and reflecting the portion of each line item attributable to non-controlling interests for the six months ended June 30, 2017:

	Attributable to Unitholders									Contribution from equity accounted investments	Attributable to non-controlling interests	As per IFRS financials[1]
	Hydroelectric			Wind			Storage and Other	Corporate	Total			
($ MILLIONS)	North America	Brazil	Colombia	North America	Europe	Brazil						
Revenues	525	118	93	79	24	9	24	-	872	(20)	508	1,360
Other income	-	6	2	-	-	-	-	1	9	-	9	18
Direct operating costs	(132)	(31)	(47)	(17)	(9)	(3)	(17)	(11)	(267)	9	(215)	(473)
Share of Adjusted EBITDA from equity accounted investments	-	-	-	-	-	-	-	-	-	11	-	11
Adjusted EBITDA	393	93	48	62	15	6	7	(10)	614	-	302	
Management service costs	-	-	-	-	-	-	-	(37)	(37)	-	-	(37)
Interest expense - borrowings	(88)	(10)	(22)	(21)	(6)	(2)	(8)	(43)	(200)	6	(125)	(319)
Current income taxes	1	(5)	(1)	-	-	-	-	-	(5)	-	(7)	(12)
Distributions attributable to												
Preferred limited partners equity	-	-	-	-	-	-	-	(13)	(13)	-	-	(13)
Preferred equity	-	-	-	-	-	-	-	(12)	(12)	-	-	(12)
Share of interest and cash taxes from equity accounted investments	-	-	-	-	-	-	-	-	-	(6)	-	(6)
Share of Funds From Operations attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(170)	(170)
Funds From Operations	306	78	25	41	9	4	(1)	(115)	347	-	-	
Depreciation	(109)	(70)	(16)	(41)	(12)	(3)	(12)	-	(263)	6	(141)	(398)
Foreign exchange and unrealized financial instrument loss	(4)	(3)	1	1	(6)	-	-	(16)	(27)	1	-	(26)
Deferred income tax expense	(18)	2	(6)	6	2	-	-	11	(3)	-	(18)	(21)
Other	(10)	(5)	7	1	2	1	4	-	-	(1)	22	21
Share of earnings from equity accounted investments	-	-	-	-	-	-	-	-	-	(6)	-	(6)
Net income attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	137	137
Net income (loss) attributable to Unitholders[2]	165	2	11	8	(5)	2	(9)	(120)	54	-	-	54

(1) Share of of loss from equity-accounted investments of $1 million is comprised of amounts found on the share of Adjusted EBITDA, share of interest and cash taxes and share of earnings lines. Net income attributable to participating non-controlling interests – in operating subsidiaries of $33 million is comprised of amounts found on Share of Funds From Operations attributable to non-controlling interests and Net Income attributable to non-controlling interests.

(2) Net income (loss) attributable to Unitholders includes net income (loss) attributable to GP interest, Redeemable/Exchangeable partnership units and LP Units. Total net income (loss) includes amounts attributable to Unitholders, non-controlling interests, preferred limited partners equity and preferred equity.

Geographical Information

The following table presents consolidated revenue split by geographical region for the three and six months ended June 30:

	Three months ended June 30		Six months ended June 30	
(MILLIONS)	2018	2017	2018	2017
United States	$ 245	$ 255	$ 495	$ 488
Colombia	219	190	442	388
Canada	97	126	226	259
Brazil	106	91	209	167
Europe	24	21	68	58
Other	44	-	88	-
	735	683	1,528	1,360

The following table presents consolidated property, plant and equipment and equity-accounted investments split by geographical region:

(MILLIONS)	Jun 30 2018	Dec 31 2017
United States	$ 11,311	$ 11,131
Colombia	5,468	5,401
Canada	5,496	5,810
Brazil	2,916	3,479
Europe	1,379	1,332
Other	327	664
	26,897	27,817

6. INCOME TAXES

Brookfield Renewable's effective income tax rate for the six months ended was 17.8% for the six months ended June 30, 2018 (2017: 22.8%). The effective tax rate is different than the statutory rate primarily due to rate differentials and non-controlling interests' income not subject to tax.

7. PROPERTY, PLANT AND EQUIPMENT, AT FAIR VALUE

The following table presents a reconciliation of property, plant and equipment at fair value:

(MILLIONS)	Notes	Hydro	Wind	Solar	Other[1]	Total[2]
As at December 31, 2017		$ 22,399	$ 3,803	$ 575	$ 319	$ 27,096
Additions to assets under construction		82	14	2	2	100
Acquisitions through business combinations	2	-	72	86	-	158
Transfer to assets held for sale	3	-	(60)	(591)	-	(651)
Items recognized through OCI						
Change in fair value	3	-	-	179	-	179
Foreign exchange		(427)	(196)	(51)	(38)	(712)
Items recognized through net income						
Disposal and expensing of development costs		(22)	(3)	-	(10)	(35)
Depreciation		(269)	(121)	(17)	(12)	(419)
Other		-	-	58	-	58
As at June 30, 2018		$ 21,763	$ 3,509	$ 241	$ 261	$ 25,774

[1] Includes storage, biomass and cogeneration.
[2] Includes intangible assets of $12 million (2017: $13 million) and assets under construction of $492 million (2017: $601 million).

8. LONG-TERM DEBT AND CREDIT FACILITIES

The composition of debt obligations is presented in the following table:

	Jun 30, 2018				Dec 31, 2017			
	Weighted-average			Estimated	Weighted-average			Estimated
(MILLIONS EXCEPT AS NOTED)	Interest rate (%)	Term (years)	Carrying value	Fair value	Interest rate (%)	Term (years)	Carrying value	Fair value
Corporate borrowings								
Series 3 (C$200)	5.3	0.4	$ 152	$ 154	5.3	0.8	$ 159	$ 163
Series 4 (C$150)	5.8	18.4	114	135	5.8	18.9	119	144
Series 7 (C$450)	5.1	2.3	342	361	5.1	2.8	358	382
Series 8 (C$400)	4.8	3.6	305	325	4.8	4.1	318	344
Series 9 (C$400)	3.8	6.9	305	303	3.8	7.4	318	321
Series 10 (C$500)	3.6	8.6	381	378	3.6	9.0	398	400
	4.5	5.9	$ 1,599	$ 1,656	4.5	6.4	$ 1,670	$ 1,754
Credit facilities	2.9	2.3	$ 989	$ 989	2.6	4.5	$ 887	$ 887
Subsidiary borrowings								
Hydroelectric	6.3	9.7	$ 6,313	$ 6,550	6.3	8.8	$ 6,392	$ 6,813
Wind	4.7	11.2	1,894	1,980	5.8	9.7	2,211	2,343
Solar	6.0	7.8	170	170	11.1	7.6	643	643
Storage and other	4.1	5.5	95	101	8.4	17.8	39	39
	5.9	10.0	$ 8,472	$ 8,801	6.5	9.0	$ 9,285	$ 9,838
Total debt			11,060	11,446			11,842	12,479
Add: Unamortized premiums[1]			1				1	
Less: Unamortized financing fees[1]			(87)				(77)	
Less: Current portion			(929)				(1,676)	
			$ 10,045				$ 10,090	

(1) Unamortized premiums and unamortized financing fees are amortized over the terms of the borrowing.

Corporate borrowings

Corporate borrowings are obligations of a finance subsidiary of Brookfield Renewable, Brookfield Renewable Partners ULC ("Finco") (Note 20 - Subsidiary Public Issuers). Finco may redeem some or all of the borrowings from time to time, pursuant to the terms of the indenture. The balance is payable upon maturity, and interest on corporate borrowings is paid semi-annually. The term notes payable by Finco are unconditionally guaranteed by Brookfield Renewable, Brookfield Renewable Energy L.P. ("BRELP") and certain other subsidiaries.

Subsidiary borrowings

Subsidiary borrowings are typically asset-specific, long-term, non-recourse borrowings denominated in the domestic currency of the subsidiary. Subsidiary borrowings in North America, Europe and South Africa consist of both fixed and floating interest rate debt. Subsidiary borrowings in South Africa consist of floating interest rate debt indexed to the Johannesburg Interbank Agreed Rate ("JIBAR") and U.S. dollar denominated debt indexed to the London Interbank Offered Rate ("LIBOR"). Brookfield Renewable uses interest rate swap agreements in North America, Europe and South Africa to minimize its exposure to floating interest rates. Subsidiary borrowings in Brazil consist of floating interest rates of Taxa de Juros de Longo Prazo ("TJLP"), the Brazil National Bank for Economic Development's long-term interest rate, or

Interbank Deposit Certificate rate ("CDI"), plus a margin. Subsidiary borrowings in Colombia include floating interest rates of Indicador Bancario de Referencia rate ("IBR"), the Banco Central de Colombia short-term interest rate, or Colombian Consumer Price Index ("IPC"), the Banco Central de Colombia inflation rate, plus a margin. Subsidiary borrowings in Malaysia consist of floating interest rate debt indexed to the Kuala Lumpur Interbank Offering Rate ("KLIBOR"). Subsidiary borrowings in India consist of fixed interest rate U.S. dollar denominated debt.

On January 19, 2018, Brookfield Renewable completed financing associated with its equity-accounted 2.1 GW pumped storage facility in the United Kingdom by securing £60 million ($83 million) of long-term debt and £90 million ($125 million) letter of credit facility. The long-term debt matures in 2021 and bears interest at LIBOR plus a margin of 2.75%.

On January 29, 2018, Brookfield Renewable completed R$130 million ($40 million) of financing with respect to a 19 MW hydroelectric facility currently under construction in Brazil. The loan bears interest at a rate of TJLP plus 2.15% and matures in 2038.

On February 15, 2018, Brookfield Renewable completed a refinancing associated with a 296 MW hydroelectric facility in the United States. The financing was a $350 million interest only green bond bearing interest at 4.5%, maturing in 2033. Proceeds were used to repay the existing principal amount of $315 million and the excess was distributed to investors.

On February 22, 2018, TerraForm Global issued $400 million of senior notes at 6.13%, maturing in March 2026. Along with cash on the balance sheet, proceeds were used to repay the existing $760 million of 9.75% senior notes due in 2022. Additionally, TerraForm Global secured a $45 million revolving credit facility, maturing in February 2021.

On February 27, 2018, Brookfield Renewable completed bond financing associated with the Colombian business. The financing was a COP 750 billion ($262 million) in senior unsecured bonds with maturities of 7, 12 and 30 years at rates of 7.12%, IPC + 3.56% and IPC + 3.99%, respectively.

On April 20, 2018, Brookfield Renewable completed a R$160 million ($47 million) refinancing associated with a 120 MW hydroelectric facility in Brazil. The loan bears an interest rate of CDI + 2.00%, maturing in October 2023.

In the second quarter of 2018, Brookfield Renewable completed a refinancing of COP 1,762 billion ($634 million) of bank debt associated with the Colombian business. The new loans mature between 2025 and 2030 years at rates ranging of IBR + 2.97% to IBR + 3.70%.

As part of the TerraForm Global transaction, Brookfield Renewable acquired assets with project level financings that were in default prior to the acquisition, had outstanding principal amounts totaling $322 million, and mature in 2031. As at June 30, 2018, the loans remained not in compliance with certain covenants due to conditions that existed prior to the acquisition of TerraForm Global, including issues with contractors under engineering, procurement and construction contracts. The loan balances relating to the South African Portfolio have been classified as held for sale. The remaining balances have been classified as current as at June 30, 2018 in the interim consolidated IFRS financial statements. Brookfield Renewable is currently working with all the lenders to cure such defaults and release the restrictions placed on the projects. Except for the aforementioned defaults, Brookfield Renewable complied with all material financial covenants as of June 30, 2018.

Credit facilities

Brookfield Renewable and its subsidiaries issue letters of credit from some of their credit facilities for general corporate purposes which include, but are not limited to, security deposits, performance bonds and guarantees for debt service reserve accounts.

The following table summarizes the available portion of credit facilities:

(MILLIONS)	Jun 30 2018	Dec 31 2017
Authorized corporate credit facilities(1)	$ 2,100	$ 2,090
Draws on corporate credit facilities(1)	(865)	(685)
Issued letters of credit	(77)	(193)
Available portion of corporate credit facilities	1,158	1,212

(1) Amounts are guaranteed by Brookfield Renewable. Excludes $124 million (2017: $202 million) borrowed under a subscription facility of a Brookfield sponsored private fund.

9. NON-CONTROLLING INTERESTS

Brookfield Renewable's non-controlling interests are comprised of the following:

(MILLIONS)	Jun 30 2018	Dec 31 2017
Participating non-controlling interests - in operating subsidiaries	$ 6,140	$ 6,298
General partnership interest in a holding subsidiary held by Brookfield	53	58
Participating non-controlling interests - in a holding subsidiary - Redeemable/Exchangeable units held by Brookfield	2,609	2,843
Preferred equity	589	616
	$ 9,391	$ 9,815

Participating non-controlling interests – in operating subsidiaries

The net change in participating non-controlling interests – in operating subsidiaries is as follows:

(MILLIONS)	Brookfield Americas Infrastructure Fund	Brookfield Infrastructure Fund II	Brookfield Infrastructure Fund III	The Catalyst Group	Isagen institu-tional investors	Isagen public non-con-trolling interests	Other	Total
As at December 31, 2017	$ 850	$ 1,682	$ 1,852	$ 134	$ 1,701	$ 9	$ 70	$ 6,298
Net income (loss)	3	(4)	11	11	66	-	-	87
OCI	(14)	(58)	29	-	37	-	58	52
Capital contributions	-	-	4	-	-	-	-	4
Acquisition	-	-	-	-	-	-	21	21
Distributions	(7)	(49)	(199)	(6)	(94)	-	(2)	(357)
Other	-	1	(4)	-	-	-	38	35
As at June 30, 2018	$ 832	$ 1,572	$ 1,693	$ 139	$ 1,710	$ 9	$ 185	$ 6,140
Interests held by third parties	75-80%	50-60%	23-71%	25%	53%	0.5%	21-50%	

General partnership interest in a holding subsidiary held by Brookfield and *Participating non-controlling interests – in a holding subsidiary - Redeemable/Exchangeable units held by Brookfield*

Brookfield, as the owner of the 1% general partnership interest in BRELP held by Brookfield ("GP interest"), is entitled to regular distributions plus an incentive distribution based on the amount by which quarterly distributions exceed specified target levels. To the extent that LP Unit distributions exceed $0.375 per LP Unit per quarter, the incentive is 15% of distributions above this threshold. To the extent that quarterly LP Unit distributions exceed $0.4225 per LP Unit, the incentive distribution is equal to 25% of distributions above this threshold.

As at June 30, 2018, general partnership units, and Redeemable/Exchangeable partnership units outstanding were 2,651,506 (December 31, 2017: 2,651,506) and 129,658,623 (December 31, 2017: 129,658,623), respectively.

Distributions

The composition of the distributions for the three and six months ended June 30 is presented in the following table:

	Three months ended Jun 30		Six months ended Jun 30	
(MILLIONS)	2018	2017	2018	2017
General partnership interest in a holding subsidiary held by Brookfield	$ 2	$ 1	$ 3	$ 2
Incentive distribution	9	7	20	15
	$ 11	$ 8	$ 23	$ 17
Participating non-controlling interests - in a holding subsidiary - Redeemable/ Exchangeable units held by Brookfield	$ 64	$ 61	$ 128	$ 123
	$ 75	$ 69	$ 151	$ 140

Preferred equity

Brookfield Renewable's preferred equity consists of Class A Preference Shares of Brookfield Renewable Power Preferred Equity Inc. ("BRP Equity") as follows:

(MILLIONS EXCEPT AS NOTED)	Shares outstanding	Cumulative dividend rate (%)	Earliest permitted redemption date	Dividends declared for the six months ended June 30 2018	2017	Jun 30 2018	Dec 31 2017
Series 1 (C$136)	5.45	3.36	Apr 2020	$ 2	$ 2	$ 103	$ 108
Series 2 (C$113)[1]	4.51	3.63	Apr 2020	2	1	86	90
Series 3 (C$249)	9.96	4.40	Jul 2019	4	4	189	197
Series 5 (C$103)	4.11	5.00	Apr 2018	2	2	78	82
Series 6 (C$175)	7.00	5.00	Jul 2018	3	3	133	139
	31.03			$ 13	$ 12	$ 589	$ 616

(1) Dividend rate represents annualized distribution based on the most recent quarterly floating rate.

The Class A Preference Shares do not have a fixed maturity date and are not redeemable at the option of the holders. As at June 30, 2018, none of the issued Class A Preference Shares have been redeemed by BRP Equity.

Class A Preference Shares – Normal Course Issuer Bid

In June 2018, the TSX accepted notice of BRP Equity's intention to renew the normal course issuer bid in connection with its outstanding Class A Preference Shares for another year to June 26, 2019, or earlier should the repurchases be completed prior to such date. Under this normal course issuer bid, it is permitted to repurchase up to 10% of the total public float for each respective series of the Class A Preference Shares. Unitholders may receive a copy of the notice, free of charge, by contacting Brookfield Renewable.

10. PREFERRED LIMITED PARTNERS' EQUITY

Brookfield Renewable's preferred limited partners' equity comprises of Class A Preferred LP Units as follows:

(MILLIONS EXCEPT AS NOTED)	Shares outstanding	Cumulative distribution rate (%)	Earliest permitted redemption date	Distributions declared for the six months ended June 30 2018	2017	Jun 30 2018	Dec 31 2017
Series 5 (C$72)	2.89	5.59	Apr 2018	$ 2	$ 2	$ 49	$ 49
Series 7 (C$175)	7.00	5.50	Jan 2021	4	4	128	128
Series 9 (C$200)	8.00	5.75	Jul 2021	4	4	147	147
Series 11 (C$250)	10.00	5.00	Apr 2022	5	3	187	187
Series 13 (C$250)	10.00	5.00	Apr 2023	4	-	196	-
	37.89			$ 19	$ 13	$ 707	$ 511

On January 16, 2018, Brookfield Renewable issued 10,000,000 Class A, Series 13 Preferred Limited Partnership Units (the "Series 13 Preferred Units") at a price of C$25 per unit for gross proceeds of C$250 million ($201 million). Brookfield Renewable incurred C$9 million ($5 million) in related transaction costs inclusive of fees paid to underwriters. The holders of the Series 13 Preferred Units are entitled to receive a cumulative quarterly fixed distribution yielding 5.0% for the initial period ending April 30, 2023. Thereafter, the distribution rate will be reset every five years at a rate equal to the greater of: (i) the 5-year Government of Canada bond yield plus 3.00%, and (ii) 5.00%.

The holders of Series 13 Preferred Units will have the right, at their option, to convert their Series 13 Preferred Units into Class A Preferred Limited Partnership Units, Series 14 (the "Series 14 Preferred Units"), subject to certain conditions, on April 30, 2023 and on April 30 every five years thereafter. The holders of Series 14 Preferred Units will be entitled to receive floating rate cumulative preferential cash distributions equal to the sum of the 90-day Canadian Treasury Bill Rate plus 3.00%.

11. LIMITED PARTNERS' EQUITY

Limited partners' equity

As at June 30, 2018, 180,264,691 LP Units were outstanding (December 31, 2017: 180,388,361) including 56,068,944 (December 31, 2017: 56,068,944) held by Brookfield. Brookfield owns all general partnership interests in Brookfield Renewable representing a 0.01% interest.

During the three and six months ended June 30, 2018, 73,060 and 157,689 LP Units, respectively (2017: 58,408 and 156,605 LP Units) were issued under the distribution reinvestment plan.

As at June 30, 2018, Brookfield Asset Management's direct and indirect interest of 185,727,567 LP Units and Redeemable/Exchangeable partnership units represents approximately 60% of Brookfield Renewable on a fully-exchanged basis and the remaining approximate 40% is held by public investors.

On an unexchanged basis, Brookfield holds a 31% direct limited partnership interest in Brookfield Renewable, a 42% direct interest in BRELP through the ownership of Redeemable/Exchangeable partnership units and a direct 1% GP interest in BRELP as at June 30, 2018.

In December 2017, Brookfield Renewable renewed its normal course issuer bid in connection with its LP Units. Under this normal course issuer bid Brookfield Renewable is permitted to repurchase up to 9 million LP Units, representing approximately 5% of the issued and outstanding LP Units, for capital management purposes. The bid will expire on December 28, 2018, or earlier should Brookfield

Renewable complete its repurchases prior to such date. During the three and six months ended June 30, 2018, 272,659 and 281,359 LP Units, respectively were repurchased at a total cost of $8 million.

Distributions

The composition of the distribution for the three and six months ended June 30 is presented in the following table:

(MILLIONS)	2018	2017	2018	2017
Brookfield	$ 27	$ 24	$ 55	$ 48
External LP Unitholders	61	54	123	109
	$ 88	$ 78	$ 178	$ 157

In February 2018, unitholder distributions were increased to $1.96 per LP Unit on an annualized basis, an increase of nine cents per LP Unit, which took effect with the distribution payable in March 2018.

12. GOODWILL

The following table provides a reconciliation of goodwill:

(MILLIONS)	Note	
Balance, as at December 31, 2017		$ 901
Acquired through business acquisition	2	27
Transfer to Assets held for sale	3	(23)
Foreign exchange		13
Balance, as at June 30, 2018		$ 918

The acquisition equation for Biotherm (Note 2 – Acquisitions) includes a deferred tax liability of $35 million. The deferred tax liability arises because the tax bases of the Biotherm net assets are significantly lower than their acquisition date fair value. As required by IFRS 3, this deferred tax liability is calculated in accordance with IAS 12, and is not measured at fair value. IAS 12 requires provisions to be made for all differences between the carrying value of assets and liabilities other than goodwill acquired in a business combination and their tax base at their nominal amount, irrespective of whether or not this will result in additional (or less) tax being paid or when any tax cash flows may occur. The fair value of the deferred tax liability would be lower than its nominal amount and Brookfield Renewable has determined that goodwill of $27 million arises primarily from such difference.

13. EQUITY-ACCOUNTED INVESTMENTS

The following are Brookfield Renewable's equity-accounted investments:

(MILLIONS)	Principal place of business	Ownership interest %	Carrying value Jun 30 2018		Carrying value Dec 31 2017	
FHH (Guernsey) Limited	Europe	25	$	242	$	245
TerraForm Power Inc.[1]	United States, Canada, Europe	30		620		212
Bear Swamp Power Co. L.L.C.	United States	50		179		173
Galera Centrais Eletricas S.A.	Brazil	50		23		28
Pingston Power Inc.	Canada	50		54		57
Brookfield Infrastructure Fund II Investees	United States, Europe	14 - 50		5		6
			$	1,123	$	721

(1) The fair value of the investment based on quoted market price of the shares as of June 30, 2018 was $733 million (December 31, 2017: $278 million).

The following table outlines the changes in Brookfield Renewable's equity-accounted investments :

(MILLIONS)		Total
As at December 31, 2017	$	721
Investment in TerraForm Power Inc.[1]		420
Share of net income		6
Share of net comprehensive income		2
Dividends declared		(14)
Foreign exchange translation and other		(12)
As at June 30, 2018	$	1,123

(1) On June 11, 2018, Brookfield Renewable along with its institutional partners acquired additional shares of TerraForm Power, which increased Brookfield Renewable's ownership from 16% to 30%.

14. CASH AND CASH EQUIVALENTS

Brookfield Renewable's cash and cash equivalents are as follows:

(MILLIONS)	Jun 30 2018	Dec 31 2017
Cash	$ 197	$ 790
Short-term deposits	40	9
	$ 237	$ 799

15. RESTRICTED CASH

Brookfield Renewable's restricted cash is as follows:

(MILLIONS)	Jun 30 2018	Dec 31 2017
Operations	$ 156	$ 195
Credit obligations	61	85
Development projects	6	4
Total	223	284
Less: non-current	(44)	(103)
Current	$ 179	$ 181

16. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

Brookfield Renewable's trade receivables and other current assets are as follows:

(MILLIONS)	Jun 30 2018	Dec 31 2017
Trade receivables	$ 300	$ 360
Other short-term receivables	105	82
Prepaids and others	98	112
	$ 503	$ 554

Brookfield Renewable receives payment monthly for invoiced PPA revenue and has no significant aged receivables as of the reporting date. Receivables from contracts with customers are reflected in Trade receivables. There are no other significant contract asset or liability balances related to contracted revenue.

17. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Brookfield Renewable's accounts payable and accrued liabilities are as follows:

(MILLIONS)	Jun 30 2018	Dec 31 2017
Operating accrued liabilities	$ 221	$ 271
Interest payable on corporate and subsidiary borrowings	84	64
Accounts payable	67	117
Deferred consideration	30	35
LP Unitholders' distributions, preferred limited partnership unit distributions and preferred dividends payable(1)	31	29
Other	21	26
	$ 454	$ 542

(1) Includes amounts payable only to external LP Unitholders. Amounts payable to Brookfield are included in due to related parties.

18. COMMITMENTS, CONTINGENCIES AND GUARANTEES

Commitments

In the course of its operations, Brookfield Renewable and its subsidiaries have entered into agreements for the use of water, land and dams. Payment under those agreements varies with the amount of power generated. The various agreements can be renewed and are extendable up to 2091.

The remaining development project costs on one Brazilian hydroelectric project totaling 19 MW and two wind projects in Europe totaling 47 MW are expected to be $48 million. All three projects are expected to be fully operational between 2018 and 2019.

Contingencies

Brookfield Renewable and its subsidiaries are subject to various legal proceedings, arbitrations and actions arising in the normal course of business. While the final outcome of such legal proceedings and actions cannot be predicted with certainty, it is the opinion of management that the resolution of such proceedings and actions will not have a material impact on Brookfield Renewable's consolidated financial position or results of operations.

Brookfield Renewable, on behalf of Brookfield Renewable's subsidiaries, and the subsidiaries themselves have provided letters of credit, which include, but are not limited to, guarantees for debt service reserves, capital reserves, construction completion and performance. The activity on the issued letters of credit by Brookfield Renewable can be found in Note 8 – Long-term debt and credit facilities.

Brookfield Renewable, along with institutional investors, has provided letters of credit, which include, but are not limited to, guarantees for debt service reserves, capital reserves, construction completion and performance as it relates to interests in the Brookfield Americas Infrastructure Fund, the Brookfield Infrastructure Fund II, and the Brookfield Infrastructure Fund III. Brookfield Renewable's subsidiaries have similarly provided letters of credit, which include, but are not limited to, guarantees for debt service reserves, capital reserves, construction completion and performance.

Letters of credit issued by Brookfield Renewable along with institutional investors and its subsidiaries were as follows:

(MILLIONS)	Jun 30 2018	Dec 31 2017
Brookfield Renewable along with institutional investors	$ 69	$ 76
Brookfield Renewable's subsidiaries	340	468
	$ 409	$ 544

Guarantees

In the normal course of operations, Brookfield Renewable and its subsidiaries execute agreements that provide for indemnification and guarantees to third parties of transactions such as business dispositions, capital project purchases, business acquisitions, and sales and purchases of assets and services. Brookfield Renewable has also agreed to indemnify its directors and certain of its officers and employees. The nature of substantially all of the indemnification undertakings prevents Brookfield Renewable from making a reasonable estimate of the maximum potential amount that Brookfield Renewable could be required to pay third parties as the agreements do not always specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, neither Brookfield Renewable nor its subsidiaries have made material payments under such indemnification agreements.

19. RELATED PARTY TRANSACTIONS

Brookfield Renewable’s related party transactions are recorded at the exchange amount. Brookfield Renewable’s related party transactions are primarily with Brookfield Asset Management.

Brookfield Asset Management has provided a $400 million committed unsecured revolving credit facility maturing in December 2018 and the interest rate applicable on the draws is LIBOR plus up to 2%. As at June 30, 2018, the full amount had been drawn. Brookfield Asset Management had also placed funds on deposit with Brookfield Renewable in the amount of $200 million during the quarter and the interest rate applicable on the deposit is LIBOR plus 0.7%. The interest expense on the draws from the credit facility and the deposit for the three and six months ended June 30, 2018 totaled $3 million and $5 million, respectively (2017: $nil and $1 million). Subsequent to June 30, 2018, the $200 million deposit and $128 million of the revolving credit facility, plus accrued interest, was returned and repaid to Brookfield Asset Management.

The following table reflects the related party agreements and transactions in the interim consolidated statements of income:

	Three months ended Jun 30		Six months ended Jun 30	
(MILLIONS)	2018	2017	2018	2017
Revenues				
Power purchase and revenue agreements	$ 134	$ 176	$ 274	$ 326
Wind levelization agreement	3	2	4	3
	$ 137	$ 178	$ 278	$ 329
Direct operating costs				
Energy purchases	$ (3)	$ (2)	$ (5)	$ (5)
Energy marketing fee	(6)	(6)	(12)	(12)
Insurance services	(7)	(5)	(13)	(10)
	$ (16)	$ (13)	$ (30)	$ (27)
Interest expense - borrowings	$ (3)	$ -	$ (5)	$ (1)
Management service costs	$ (21)	$ (21)	$ (42)	$ (37)

20. SUBSIDIARY PUBLIC ISSUERS

The following tables provide consolidated summary financial information for Brookfield Renewable, BRP Equity, and Finco:

(MILLIONS)	Brookfield Renewable[1]	BRP Equity	Finco	Holding Entities[1][2]	Other Subsidiaries[1][3]	Consolidating adjustments[4]	Brookfield Renewable consolidated
As at June 30, 2018:							
Current assets	$ 34	$ 404	$ 1,619	$ 510	$ 3,159	$ (3,893)	$ 1,833
Long-term assets	4,354	248	-	19,969	28,524	(24,838)	28,257
Current liabilities	42	7	172	3,745	2,286	(3,893)	2,359
Long-term liabilities	-	-	1,442	467	12,745	(649)	14,005
Participating non-controlling interests - in operating subsidiaries	-	-	-	-	6,140	-	6,140
Participating non-controlling interests -in a holding - Redeemable/Exchangeable units held by Brookfield	-	-	-	2,609	-	-	2,609
Preferred equity	-	589	-	-	-	-	589
Preferred limited partners' equity	707	-	-	718	-	(718)	707
As at December 31, 2017:							
Current assets	$ 32	$ 412	$ 1,691	$ 525	$ 2,816	$ (3,810)	$ 1,666
Long-term assets	4,483	262	-	20,142	29,508	(25,157)	29,238
Current liabilities	43	7	180	3,024	3,071	(3,811)	2,514
Long-term liabilities	-	-	1,505	693	12,670	(760)	14,108
Participating non-controlling interests - in operating subsidiaries	-	-	-	-	6,298	-	6,298
Participating non-controlling interests -in a holding - Redeemable/Exchangeable units held by Brookfield	-	-	-	2,843	-	-	2,843
Preferred equity	-	616	-	-	-	-	616
Preferred limited partners' equity	511	-	-	516	-	(516)	511

(1) Includes investments in subsidiaries under the equity method.

(2) Includes BRELP, BRP Bermuda Holdings I Limited, Brookfield BRP Holdings (Canada) Inc. and Brookfield BRP Europe Holdings Limited, together the "Holding Entities".

(3) Includes subsidiaries of Brookfield Renewable, other than BRP Equity, Finco and the Holding Entities.

(4) Includes elimination of intercompany transactions and balances necessary to present Brookfield Renewable on a consolidated basis.

(MILLIONS)	Brookfield Renewable[1]	BRP Equity	Finco	Holding Entities[1][2]	Other Subsidiaries[1][3]	Consolidating adjustments[4]	Brookfield Renewable consolidated
For the three months ended June 30, 2018							
Revenues	$ -	$ -	$ -	$ 1	$ 734	$ -	$ 735
Net income (loss)	9	3	-	19	227	(213)	45
For the three months ended June 30, 2017							
Revenues	$ -	$ -	$ -	$ -	$ 683	$ -	$ 683
Net income (loss)	28	1	-	(52)	269	(161)	85
For the six months ended June 30, 2018							
Revenues	$ -	$ -	$ -	$ 1	$ 1,527	$ -	$ 1,528
Net income (loss)	23	7	-	10	439	(354)	125
For the six months ended June 30, 2017							
Revenues	$ -	$ -	$ -	$ -	$ 1,360	$ -	$ 1,360
Net income (loss)	43	1	-	(89)	370	(213)	112

(1) Includes investments in subsidiaries under the equity method.
(2) Includes the Holding Entities.
(3) Includes subsidiaries of Brookfield Renewable, other than BRP Equity, Finco, and the Holding Entities.
(4) Includes elimination of intercompany transactions and balances necessary to present Brookfield Renewable on a consolidated basis.

See Note 8 – Long-term debt and credit facilities for additional details regarding the medium-term corporate notes issued by Finco. See Note 9 – Non-controlling interests for additional details regarding Class A Preference Shares issued by BRP Equity.

GENERAL INFORMATION

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Exchange Listing
NYSE: BEP (LP Units)
TSX: BEP.UN (LP Units)
TSX: BEP.PR.E (Preferred LP Units – Series 5)
TSX: BEP.PR.G (Preferred LP Units – Series 7)
TSX: BEP.PR.I (Preferred LP Units – Series 9)
TSX: BEP.PR.K (Preferred LP Units – Series 11)
TSX: BEP.PR.M (Preferred LP Units – Series 13)
TSX: BRF.PR.A (Preferred shares – Series 1)
TSX: BRF.PR.B (Preferred shares – Series 2)
TSX: BRF.PR.C (Preferred shares – Series 3)
TSX: BRF.PR.E (Preferred shares – Series 5)
TSX: BRF.PR.F (Preferred shares – Series 6)

Investor Information
Visit Brookfield Renewable online at https://bep.brookfield.com for more information. The 2017 Annual Report and Form 20-F are also available online. For detailed and up-to-date news and information, please visit the News Release section.

Additional financial information is filed electronically with various securities regulators in United States and Canada through EDGAR at www.sec.gov and through SEDAR at www.sedar.com.

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