



Brookfield Renewable Partners L.P.

2020 MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

For the year ended December 31, 2020

This Management's Discussion and Analysis for the year ended December 31, 2020 is provided as of February 26, 2021. Unless the context indicates or requires otherwise, the terms "Brookfield Renewable", "we", "us", and "our company" 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, class A exchangeable subordinate voting shares ("exchangeable shares") of Brookfield Renewable Corporation ("BEPC") held by public shareholders and Brookfield, redeemable/exchangeable partnership units ("Redeemable/Exchangeable partnership units") in Brookfield Renewable Energy L.P. ("BRELP"), a holding subsidiary of Brookfield Renewable, held by Brookfield, and general partnership interest ("GP interest") in BRELP held by Brookfield. Holders of the LP units, Redeemable/Exchangeable partnership units, GP interest, and exchangeable shares will be collectively referred to throughout as "Unitholders" unless the context indicates or requires otherwise. LP units, Redeemable/Exchangeable partnership units, GP interest, and BEPC exchangeable shares will be collectively referred to throughout as "Units", or as "per Unit", unless the context indicates or requires otherwise. The LP units, exchangeable shares and Redeemable/Exchangeable partnership units have the same economic attributes in all respects. See – "Part 9 – 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\$, £, and COP are to United States ("U.S.") dollars, Canadian dollars, Euros, Brazilian reais, British pounds sterling and Colombian pesos, 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 9 – 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 10 – 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), or on SEDAR (www.sedar.com).

Organization of the Management's Discussion and Analysis

PART 1 – 2020 Highlights	2	PART 5 – Liquidity and Capital Resources (continued)	30
PART 2 – Financial Performance Review on Consolidated Information	5	Consolidated statements of cash flows	33
PART 3 – Additional Consolidated Financial Information	7	Shares and units outstanding	35
Summary consolidated statements of financial position	7	Dividends and distributions	36
Related party transactions	8	Contractual obligations	36
Equity	10	Off-statement of financial position arrangements	36
PART 4 – Financial Performance Review on Proportionate Information	12	PART 6 – Selected Annual and Quarterly Information	38
Proportionate results for the years ended December 31, 2020 and 2019	12	Summary of historical quarterly results	39
Proportionate results for the years ended December 31, 2019 and 2018	18	Proportionate results for the fourth quarter	40
Reconciliation of non-IFRS measures	24	Reconciliation of non-IFRS measures – fourth quarter	41
Contract profile	28	PART 7 – Business Risks and Risk Management	44
PART 5 – Liquidity and Capital Resources	30	Risk management and financial instruments	44
Capitalization	30	PART 8 – Critical Estimates and Accounting Policies	56
Available liquidity	31	PART 9 – Presentation to Stakeholders and Performance Measurement	60
Borrowings	31	PART 10 – Cautionary Statements	65
Capital expenditures	32		

PART 1 – 2020 HIGHLIGHTS

YEAR ENDED DECEMBER 31
(MILLIONS, EXCEPT AS NOTED)

Operational information

	2020	2019
Capacity (MW).....	18,844	18,883
Total generation (GWh)		
Long-term average generation	57,457	53,926
Actual generation	52,782	52,560
Proportionate generation (GWh)		
Long-term average generation	27,998	26,189
Actual generation	26,052	26,038
Average revenue (\$ per MWh).....	81	78

Selected financial information

Net loss attributable to Unitholders	\$ (304)	\$ (103)
Basic loss per LP unit ⁽¹⁾⁽²⁾	(0.61)	(0.26)
Consolidated Adjusted EBITDA ⁽¹⁾⁽³⁾	2,762	2,893
Proportionate Adjusted EBITDA ⁽¹⁾⁽³⁾	1,614	1,444
Funds From Operations ⁽³⁾	807	761
Funds From Operations per Unit ⁽¹⁾⁽³⁾⁽⁴⁾	1.32	1.30
Distribution per LP unit ⁽¹⁾	1.16	1.10

⁽¹⁾ Adjusted for the three-for-two Unit split effective December 11, 2020. Refer to PART 3 – Additional Consolidated Financial Information – Equity for further details.

⁽²⁾ Average LP units for the year ended December 31, 2020 were 271.1 million (2019: 268.3 million).

⁽³⁾ Non-IFRS measure. For reconciliations to the most directly comparable IFRS measure, see “Cautionary Statement Regarding Use of Non-IFRS Measures” and “PART 4 – Financial Performance Review on Proportionate Information – Reconciliation of Non-IFRS Measures”.

⁽⁴⁾ Average Units outstanding for the year ended December 31, 2020 were 609.5 million (2019: 583.5 million), being inclusive of our LP units, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and GP interest.

AS AT DECEMBER 31
(MILLIONS, EXCEPT AS NOTED)

Liquidity and Capital Resources

	December 31, 2020	December 31, 2019
Available liquidity	\$ 3,270	\$ 2,695
Debt to capitalization – Corporate	6 %	10 %
Debt to capitalization – Consolidated	27 %	34 %
Borrowings non-recourse to Brookfield Renewable on a proportionate basis	82 %	77 %
Floating rate debt exposure on a proportionate basis ⁽¹⁾	4 %	5 %
Corporate borrowings		
Average debt term to maturity	14 years	10 years
Average interest rate	3.9 %	4.1 %
Non-recourse borrowings on a proportionate basis		
Average debt term to maturity	11 years	10 years
Average interest rate	4.0 %	5.1 %

⁽¹⁾ Excludes 5% (2019: 7%) floating rate debt exposure of certain foreign regions outside of North America and Europe due to the high cost of hedging associated with those regions.

Operations

Funds From Operations increased to \$807 million or \$1.32 on a per Unit basis, representing a 6% increase from the prior year driven by:

- Contributions from growth, predominately from the merger of TerraForm Power;
- Relatively higher realized prices across all regions on the back of inflation escalation and commercial contracting initiatives;
- Higher margins due to cost reduction initiatives totaling almost \$40 million (\$17 million net to Brookfield Renewable);
- Partially offset by lower generation – experienced some drier conditions across our fleet, particularly in regions with higher value contracts. Our reservoirs are well positioned for a strong first quarter

After deducting non-cash depreciation and other non-operating expenses, net loss attributable to Unitholders was \$304 million or \$0.61 per LP unit, compared to net loss attributable to Unitholders of \$103 million or \$0.26 per LP unit in the prior year.

We continued to focus on extending our contract profile as we completed the following:

- Secured over 200 signed contracts to deliver over 3,500 GWh of clean energy annually (which has the equivalent carbon avoidance of planting almost 30 million trees);
- During the year, we agreed to supply 100% renewable energy to one of the first planned industrial-scale green hydrogen production plants in North America and over 90% of JPMorgan's real estate operations in New York

Liquidity and Capital Resources

Maintained ample liquidity and a strong balance sheet

- Bolstered our liquidity position, with \$3.3 billion of total available liquidity and no material debt maturities over the next five years
- Capitalized on the low interest rate environment and sourced liquidity from diverse funding levers by executing on \$3.4 billion of investment grade financings
 - Secured over \$2.8 billion of non-recourse financings, reducing our weighted-average cost of borrowing to 4.0%
 - Extended the average duration of our corporate debt from 10 to 14 years with the issuance of approximately C\$775 million of corporate green bonds
- Generated over \$1 billion of proceeds (\$350 million net to Brookfield Renewable) from capital recycling initiatives

Growth and Development

We broadened our investor base with the creation of BEPC. The holders of LP units of record as of July 27, 2020 received one (1) BEPC exchangeable share for every four (4) LP units held, or 0.25 BEPC exchangeable shares for each LP unit.

Following the special distribution of BEPC exchangeable shares, we completed the merger of TerraForm Power on an all-stock basis. TerraForm Power stockholders not affiliated with Brookfield Renewable received BEPC exchangeable shares or, at their election, LP units as consideration.

Agreed to invest over \$4.6 billion (\$2.5 billion net to Brookfield Renewable) of equity across ten transactions, deploying capital in every major market we operate, including:

- A U.S. distributed generation development platform comprising 360 MW of operating assets across nearly 600 sites and 700 MW of development assets

- An 845 MW operating and fully contracted wind portfolio in Oregon, representing one of the largest wind projects in North America and includes an attractive repowering opportunity that could increase generation by approximately 25%
- Almost 1,800 MW of shovel-ready solar development projects in Brazil, increasing the size of our development pipeline to 23,000 MW

During 2020, we continued to progress our development pipeline

- Commissioned 458 MW of development projects and continued to advance 2,789 MW of hydroelectric, wind, pumped storage, solar PV and rooftop solar developments projects. These projects are expected to be commissioned between 2021 and 2023 and generate annualized Funds From Operations of approximately \$61 million

PART 2 – FINANCIAL PERFORMANCE REVIEW ON CONSOLIDATED INFORMATION

The following table reflects key financial data for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2020	2019	2018
Revenues	\$ 3,810	\$ 3,971	\$ 3,797
Direct operating costs	(1,274)	(1,263)	(1,273)
Management service costs	(235)	(135)	(94)
Interest expense	(976)	(1,001)	(973)
Depreciation	(1,367)	(1,271)	(1,151)
Income tax recovery (expense)	147	(43)	343
Net (loss) income	(45)	80	583
	Average FX rates to USD		
C\$	1.34	1.33	1.30
€	0.88	0.89	0.85
R\$	5.16	3.95	3.65
COP	3,693	3,280	2,956

Current Year Variance Analysis (2020 vs 2019)

Revenues totaling \$3,810 million for the year ended December 31, 2020 represents a decrease of \$161 million over the prior year. On a same store, constant currency basis, revenues decreased \$107 million primarily due to lower generation relative to long-term average and the prior year when we experienced above-average hydrology conditions. The impact of lower generation was partially offset by higher average pricing which benefited from inflation indexation of our contracts and re-contracting initiatives. The benefit from growth in our portfolio through our recently acquired facilities contributed 1,303 GWh of generation and \$213 million of revenues, which was partially offset by recently completed asset sales that reduced generation by 534 GWh and revenues by \$79 million.

The strengthening of the U.S. dollar relative to the prior period, primarily against the Brazilian reais and Colombian peso, reduced revenues by approximately \$188 million, which was partially offset by a \$139 million favorable foreign exchange impact on our operating, interest and depreciation expenses.

Direct operating costs totaling \$1,274 million in 2020 represents an increase of \$11 million over the prior year due to cost reduction initiatives across our business and the impact of foreign exchange movements noted above being more than offset by higher power purchases, which are passed through to our customers, and additional costs due to growth from our recently acquired and commissioned facilities.

Management service costs totaling \$235 million in 2020 represents an increase of \$100 million over the prior year due to the growth of our business.

Interest expense totaling \$976 million in 2020 represents a decrease of \$25 million over the prior year due to the benefit of recent refinancing activities that reduced our average cost of borrowing and the foreign exchange movements noted above.

Net loss was \$45 million in 2020 compared to net income of \$80 million for the year ended December 31, 2019 due to the above noted items.

Prior Year Variance Analysis (2019 vs 2018)

Revenues totaling \$3,971 million for the year ended December 31, 2019 represents an increase of \$174 million over the prior year. On a same store and constant currency basis, revenues increased \$108 million, primarily due to higher average realized prices attributable to the inflation indexation of our contracts, commercial contracting initiatives and higher market prices on our uncontracted volumes in Colombia, which contributed \$96 million to revenues. Higher generation contributed a \$12 million increase in revenues relative to the prior year due to above average hydrology conditions in the United States during the first half of the year, partially offset by lower hydrology conditions in Canada.

Foreign currency movements negatively impacted our revenues by \$170 million as a result of the strengthening of the United States dollar. Recently acquired and commissioned facilities contributed \$280 million to revenues which was partially offset by recently completed asset sales that reduced revenues by \$44 million.

Direct operating costs totaling \$1,263 million in 2019 represents a decrease of \$10 million over the prior year driven by cost-savings realized in the year across our businesses and the impact of foreign exchange noted above. This was partially offset by the operating costs of our recently commissioned and acquired facilities.

Management service costs totaling \$135 million in 2019 represents an increase of \$41 million over the prior year due to the growth of our business.

Interest expense totaling \$1,001 million in 2019 represents an increase of \$28 million over the prior year as the benefit of recent refinancing activities that reduced our average cost of borrowing, lower corporate borrowings and the foreign exchange movements noted above were more than offset by the growth of our business.

Net income was \$80 million in 2019 compared to net income of \$583 million for the year ended December 31, 2018 due to the above noted items.

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 audited annual consolidated statements of financial position as at December 31:

(MILLIONS)	2020	2019
Assets held for sale.....	\$ 57	\$ 352
Current assets.....	1,742	2,020
Equity-accounted investments.....	971	937
Property, plant and equipment, at fair value.....	44,590	41,055
Total assets.....	49,722	46,196
Liabilities directly associated with assets held for sale.....	14	137
Corporate borrowings.....	2,135	2,100
Non-recourse borrowings.....	15,947	15,200
Deferred income tax liabilities.....	5,515	4,855
Total liabilities and equity.....	49,722	46,196
	FX rates to USD	
C\$.....	1.27	1.30
€.....	0.82	0.89
R\$.....	5.20	4.03
COP.....	3,432	3,277

Assets held for sale

Assets held for sale totaled \$57 million as at December 31, 2020 compared to \$352 million as at December 31, 2019. During the year, we completed the sale of 39 MW of solar capacity in Thailand and 33 MW of solar capacity in South Africa that was previously presented as held for sale. As at December 31, 2020, the Assets held for sale corresponds to 19 MW of solar capacity in Malaysia.

See Note 4 – Disposal of assets and Note 5 – Assets held for sale in our audited annual consolidated financial statements for additional details.

Property, plant and equipment

Property, plant and equipment totaled \$44.6 billion as at December 31, 2020 compared to \$41.1 billion as at December 31, 2019. The increase of \$3.5 billion was primarily attributable to a \$4.0 billion annual revaluation which recognized the benefit of lower discount rates and continued successful implementation of our cost savings and revenue enhancing initiatives. The acquisition of 100 MW of concentrated solar power facilities in Spain increased property, plant and equipment by \$661 million and capitalized additions relating to the sustaining capital expenditures of our hydroelectric business and our ongoing construction of development projects increased property, plant and equipment by \$968 million. These increases were partially offset by the sale of two operating wind facilities in Europe, resulting in a decrease of \$160 million and depreciation expense associated with property, plant and equipment of \$1.4 billion for the year. The increase was partially offset by the devaluation of the Brazilian reais and the Colombian peso against the U.S. dollar, which resulted in a net decrease to property, plant and equipment of \$604 million.

See Note 13 – Property, plant and equipment, at fair value in our audited annual consolidated financial statements for information on the revaluation assumptions used and sensitivity analysis.

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 a single long-term PPA across Brookfield Renewable's New York hydroelectric facilities.

In 2011, on formation of Brookfield Renewable, Brookfield transferred certain development projects to Brookfield Renewable for no upfront consideration but is entitled to receive variable consideration on commercial operation or sale of these projects.

Brookfield Renewable has entered into voting agreements with Brookfield, whereby Brookfield Renewable gained control of the entities that own certain renewable power generating facilities in the United States, Brazil, Europe and Asia. Brookfield Renewable has also entered into a voting agreement with its consortium partners in respect of the Colombian business. 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 participates with institutional investors in Brookfield Americas Infrastructure Fund, Brookfield Infrastructure Fund II, Brookfield Infrastructure Fund III, Brookfield Infrastructure Fund IV and Brookfield Infrastructure Debt Fund ("Private Funds"), each of which is a Brookfield sponsored fund, and in connection therewith, Brookfield Renewable, together with our institutional investors, has access to short-term financing using the Private Funds' credit facilities.

From time to time, in order to facilitate investment activities in a timely and efficient manner, Brookfield Renewable will fund deposits or incur other costs and expenses (including by use of loan facilities to consummate, support, guarantee or issue letters of credit) in respect of an investment that ultimately will be shared with or made entirely by Brookfield sponsored vehicles, consortiums and/or partnerships (including private funds, joint ventures and similar arrangements), Brookfield Renewable, or by co-investors.

Brookfield Asset Management has provided a \$400 million committed unsecured revolving credit facility maturing in December 2021 and the interest rate applicable on the borrowed amounts is LIBOR plus up to 1.8%. As at December 31, 2020, there were no draws on the committed unsecured revolving credit facility provided by Brookfield Asset Management. Brookfield Asset Management may from time to time place funds on deposit with Brookfield Renewable which are repayable on demand including any interest accrued. There were \$325 million of funds placed on deposit with Brookfield Renewable in December 2020 (2019: \$600 million, which was fully repaid during the period). The interest expense on the Brookfield Asset Management revolving credit facility and deposit for the year ended December 31, 2020 was less than \$1 million (2019: \$6 million).

In addition to these agreements, Brookfield Renewable and Brookfield have executed other agreements that are described in Note 30 – Related party transactions in our audited annual consolidated financial statements. For a description of certain of our agreements with Brookfield, please see Item 7.B "Related Party Transactions" in our Form 20-F for the annual period ending December 31, 2020.

The following table reflects the related party agreements and transactions in the audited annual consolidated statements of income (loss), for the year ended December 31:

(MILLIONS)	2020	2019	2018
Revenues			
Power purchase and revenue agreements.....	\$ 286	\$ 558	\$ 534
Wind levelization agreement.....	—	1	7
	<u>\$ 286</u>	<u>\$ 559</u>	<u>\$ 541</u>
Direct operating costs			
Energy purchases.....	\$ —	\$ (22)	\$ (20)
Energy marketing fee and other services.....	(4)	(20)	(24)
Insurance services ⁽¹⁾	<u>(24)</u>	<u>(23)</u>	<u>(25)</u>
	<u>\$ (28)</u>	<u>\$ (65)</u>	<u>\$ (69)</u>
Interest expense			
Borrowings.....	\$ (2)	\$ (7)	\$ (13)
Contract balance accretion.....	<u>(13)</u>	<u>(8)</u>	<u>—</u>
	<u>\$ (15)</u>	<u>\$ (15)</u>	<u>\$ (13)</u>
Management service costs	<u>\$ (235)</u>	<u>\$ (135)</u>	<u>\$ (94)</u>

⁽¹⁾ Insurance services were paid to a subsidiary of Brookfield Asset Management that brokers external insurance providers on behalf of Brookfield Renewable. The fees paid to the subsidiary of Brookfield Asset Management for the year ended December 31, 2020 were nil (2019: \$1 million and 2018: less than \$1 million). Beginning in 2020, insurance services were paid for directly to external insurance providers.

The following table reflects the impact of the related party agreements and transactions on the consolidated balance sheets as at December 31:

(MILLIONS)	Related party	2020	2019
Trade receivables and other current assets			
Contract asset	Brookfield.....	\$ 46	\$ 51
Due from related parties			
Amounts due from	Brookfield.....	36	48
	Equity-accounted investments and other...	<u>20</u>	<u>12</u>
		<u>\$ 56</u>	<u>\$ 60</u>
Other long-term assets			
Contract asset	Brookfield.....	\$ 409	\$ 422
Due to related parties			
Amount due to	Brookfield.....	\$ 455	\$ 93
	Equity-accounted investments and other...	<u>21</u>	<u>10</u>
Accrued distributions payable on LP units, BEPC exchangeable shares and Redeemable/Exchangeable partnership units and GP interest	Brookfield.....	<u>30</u>	<u>36</u>
		<u>\$ 506</u>	<u>\$ 139</u>
Other long-term liabilities			
Amounts due to	Equity-accounted investments and other...	\$ 11	\$ 7
Contract liability	Brookfield.....	<u>602</u>	<u>562</u>
		<u>\$ 613</u>	<u>\$ 569</u>

EQUITY

On December 11, 2020, Brookfield Renewable completed a three-for-two split of Units by way of a subdivision of Units (the “Unit split”), whereby Unitholders received an additional one-half of a Unit for each Unit held, resulting in the issuance of 91,600,487 LP units, 64,829,316 Redeemable/Exchangeable partnership units, 57,394,811 BEPC exchangeable shares and 1,325,754 units of GP interest. The distribution/dividend and the specified target levels of the incentive distribution were adjusted to reflect the additional number of Units that are outstanding. Brookfield Renewable's preferred units and preferred partners' equity were not affected by the Unit split and the Unit split did not dilute Unitholders' equity. All specified target levels of incentive distributions, Unit count and per Unit disclosures that follow are presented on a post-split basis.

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. As at December 31, 2020, to the extent that LP unit distributions exceed \$0.200 per LP unit per quarter, the incentive distribution is 15% of distributions above this threshold. To the extent that quarterly LP unit distributions exceed \$0.2253 per LP unit per quarter, the incentive distribution is equal to 25% of distributions above this threshold. Incentive distributions of \$65 million were declared during the year ended December 31, 2020 (2019: \$50 million).

Preferred equity

The Class A Preference Shares of Brookfield Renewable Power Preferred Equity Inc. (“BRP Equity”) does not have a fixed maturity date and is not redeemable at the option of the holders. As at December 31, 2020, none of the Class A Preference Shares have been redeemed by BRP Equity.

In July 2020, the Toronto Stock Exchange 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 July 8, 2021, or earlier should the repurchases be completed prior to such date. Under this normal course issuer bid, Brookfield Renewable is permitted to repurchase up to 10% of the total public float for each respective series of the Class A Preference Shares. Shareholders may receive a copy of the notice, free of charge, by contacting Brookfield Renewable. There were no repurchases of Class A Preference Shares during 2020 in connection with the normal course issuer bid.

Preferred limited partners' equity

The Class A Preferred Limited Partnership Units (“Preferred units”) of Brookfield Renewable do not have a fixed maturity date and are not redeemable at the option of the holders. As at December 31, 2020, none of the Preferred units have been redeemed by Brookfield Renewable.

During the first quarter of 2020, Brookfield Renewable issued 8,000,000 Preferred units, Series 17 (the “Series 17 Preferred units”) at a price of \$25 per unit for gross proceeds of \$200 million. The holders of the Series 17 Preferred units are entitled to receive a cumulative quarterly fixed distribution yielding 5.25%.

In July 2020, the Toronto Stock Exchange accepted notice of Brookfield Renewable's intention to renew the normal course issuer bid in connection with the outstanding Preferred units for another year to July 8, 2021, or earlier should the repurchases be completed prior to such date. Under this normal course issuer bid, Brookfield Renewable is permitted to repurchase up to 10% of the total public float for each respective series of its Preferred units. Preferred unit holders may receive a copy of the notice, free of charge, by contacting Brookfield Renewable. No shares were repurchased during 2020.

Limited partners' equity, Redeemable/Exchangeable partnership units, and BEPC exchangeable shares

As at December 31, 2020, Brookfield Asset Management owns, directly and indirectly 323,051,190 LP units, Redeemable/Exchangeable partnership units and BEPC exchangeable shares, on a combined basis, representing approximately 50% of Brookfield Renewable on a fully-exchanged basis (assuming the exchange of Redeemable/Exchangeable partnership units and BEPC exchangeable shares) and the remaining approximately 50% is held by public investors.

On July 30, 2020, Brookfield Renewable completed the “special distribution” whereby LP unitholders as of July 27, 2020 (the “Record Date”) received one exchangeable share for every four LP units held. Immediately prior to the special distribution, Brookfield Renewable Partners L.P. received BEPC exchangeable shares through a distribution by Brookfield Renewable Energy L.P. (“BRELP”), or the BRELP Distribution, of the BEPC exchangeable shares to all the holders of its equity units. As a result of the BRELP Distribution, (i) Brookfield and its subsidiaries (other than entities within Brookfield Renewable) received approximately 49.6 million BEPC exchangeable shares and (ii) Brookfield Renewable Partners L.P. received approximately 67.1 million BEPC exchangeable shares, which it subsequently distributed to its LP unit holders, including Brookfield, pursuant to the special distribution.

On July 31, 2020, following the special distribution, BEPC completed the acquisition of TerraForm Power, pursuant to which Brookfield Renewable and BEPC acquired all of the Class A common stock of TerraForm Power (“TERP common stock”) held by the public in exchange for 6,051,704 LP units and 55,552,862 BEPC exchangeable shares.

During the year ended December 31, 2020, Brookfield Renewable issued 182,966 LP units (2019: 264,894 LP units) under the distribution reinvestment plan at a total cost of \$6 million (2019: \$6 million).

During the year ended December 31, 2020, exchangeable shareholders of BEPC exchanged 136,517 BEPC exchangeable shares for \$2 million LP units.

In December 2020, Brookfield Renewable renewed its normal course issuer bid in connection with its LP units and entered into a normal course issuer bid for its outstanding BEPC exchangeable shares. Brookfield Renewable is authorized to repurchase up to 13,740,072 LP units and 8,609,220 BEPC exchangeable shares, representing 5% of each of its issued and outstanding LP units and BEPC exchangeable shares. The bids will expire on December 15, 2021, or earlier should Brookfield Renewable complete its repurchases prior to such date. There were no LP units or BEPC exchangeable shares repurchased during the year ended December 31, 2020. During the year ended December 31, 2019, there were 30,000 LP units repurchased at a total cost of less than \$1 million.

PART 4 – FINANCIAL PERFORMANCE REVIEW ON PROPORTIONATE INFORMATION

SEGMENTED DISCLOSURES

Segmented information is prepared on the same basis that Brookfield Renewable’s Chief Executive Officer and Chief Financial Officer (collectively, the chief operating decision maker or “CODM”) manages the business, evaluates financial results, and makes key operating decisions. See “Part 9 – 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 YEAR ENDED DECEMBER 31

The following chart reflects the generation and summary financial figures on a **proportionate basis** for the year ended December 31:

	(GWh)				(MILLIONS)							
	Actual Generation		LTA Generation		Revenues		Adjusted EBITDA		Funds From Operations		Net Income (Loss)	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Hydroelectric												
North America	11,863	13,118	12,166	12,238	\$ 824	\$ 905	\$ 562	\$ 622	\$ 420	\$ 459	\$ 68	\$ 142
Brazil	3,663	3,707	4,004	3,996	175	234	177	181	152	150	95	59
Colombia	2,999	3,096	3,488	3,488	211	237	131	144	90	101	68	72
	18,525	19,921	19,658	19,722	1,210	1,376	870	947	662	710	231	273
Wind												
North America	3,560	2,969	4,239	3,556	263	223	196	163	123	98	(4)	(87)
Europe	908	904	1,002	996	105	95	96	67	79	48	(27)	(11)
Brazil	552	630	671	647	27	37	24	28	17	19	3	1
Asia	428	291	443	290	28	20	25	16	18	10	4	6
	5,448	4,794	6,355	5,489	423	375	341	274	237	175	(24)	(91)
Solar	1,284	773	1,510	782	245	138	232	126	139	74	49	(37)
Energy transition⁽¹⁾	795	550	475	196	169	132	130	87	103	70	1	42
Corporate	—	—	—	—	—	—	41	10	(334)	(268)	(561)	(290)
Total	26,052	26,038	27,998	26,189	\$ 2,047	\$ 2,021	\$ 1,614	\$ 1,444	\$ 807	\$ 761	\$ (304)	\$ (103)

⁽¹⁾ Actual generation includes 375 GWh (2019: 374 GWh) from facilities that do not have a corresponding long-term average. See PART 9 – Presentation to Stakeholders’ for why we do not consider long-term average for certain of our facilities.

HYDROELECTRIC OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for hydroelectric operations for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2020	2019
Generation (GWh) – LTA	19,658	19,722
Generation (GWh) – actual	18,525	19,921
Revenue	\$ 1,210	\$ 1,376
Other income	105	22
Direct operating costs	(445)	(451)
Adjusted EBITDA	870	947
Interest expense	(191)	(210)
Current income taxes	(17)	(27)
Funds From Operations	\$ 662	\$ 710
Depreciation	(333)	(332)
Deferred taxes and other	(98)	(105)
Net income	\$ 231	\$ 273

The following table presents our proportionate results by geography for hydroelectric operations for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	Actual Generation (GWh)		Average revenue per MWh ⁽¹⁾		Adjusted EBITDA		Funds From Operations		Net Income	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
North America										
United States	9,104	10,525	\$ 69	\$ 68	\$ 399	\$ 473	\$ 305	\$ 358	\$ 39	\$ 118
Canada	2,759	2,593	77	74	163	149	115	101	29	24
	11,863	13,118	71	69	562	622	420	459	68	142
Brazil	3,663	3,707	53	63	177	181	152	150	95	59
Colombia	2,999	3,096	74	77	131	144	90	101	68	72
Total	18,525	19,921	\$ 67	\$ 69	\$ 870	\$ 947	\$ 662	\$ 710	\$ 231	\$ 273

⁽¹⁾ Includes realized foreign exchange hedge gains of approximately \$40 million included in other income.

North America

Funds From Operations at our North American business were \$420 million in 2020 versus \$459 million in the prior year as higher average revenue per MWh due to the benefits from inflation indexation and cost saving initiatives were more than offset by generation that was 10% below prior year in which we benefited from above average generation (7% above long-term average). Funds from Operations were also impacted by the partial sale of a 25% interest in certain of our Canadian assets (\$3 million and 64 GWh) in the first quarter of 2019.

Net income attributable to Unitholders decreased by \$74 million in 2020 versus the prior year due to the above noted decrease in Funds From Operations and higher non-cash depreciation expense related to the fair value increase of our property, plant and equipment in the prior year.

Brazil

Funds From Operations at our Brazilian business were \$152 million in 2020 versus \$150 million in the prior year. On a local currency basis, Funds From Operations increased 32% versus the prior year primarily due to cost reduction initiatives, higher average revenue per MWh due to inflation indexation and recontracting initiatives, and a positive ruling regarding historical under allocations of generation to our facilities under the centralized pooling mechanism in Brazil. The increase was partly offset by the weakening of the Brazilian reais versus the U.S. dollar.

Net income attributable to Unitholders increased by \$36 million in 2020 over the prior year driven by the above noted increase in Funds From Operations and lower non-cash depreciation expense due to the weakening of the Brazilian reais versus the U.S. dollar.

Colombia

Funds From Operations at our Colombian business were \$90 million in 2020 versus \$101 million in the prior year. On a local currency basis, Funds From Operations increased slightly compared to the prior year as the benefit from cost reduction initiatives and higher average revenue per MWh due to inflation indexation and recontracting initiatives were partly offset by generation that was 14% below long-term average. The increase was more than offset by the weakening of the Colombian peso versus the U.S. dollar.

Net income attributable to Unitholders decreased by \$4 million in 2020 primarily due to the above noted decrease in Funds From Operations.

WIND OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for wind operations for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2020	2019
<i>Generation (GWh) – LTA</i>	6,355	5,489
<i>Generation (GWh) – actual</i>	5,448	4,794
Revenue	\$ 423	\$ 375
Other income	43	6
Direct operating costs	(125)	(107)
Adjusted EBITDA	341	274
Interest expense	(100)	(96)
Current income taxes	(4)	(3)
Funds From Operations	\$ 237	\$ 175
Depreciation	(273)	(219)
Deferred taxes and other	12	(47)
Net loss	\$ (24)	\$ (91)

The following table presents our proportionate results by geography for wind operations for the year ended December 31:

	Actual Generation (GWh)		Average revenue per MWh ⁽¹⁾		Adjusted EBITDA		Funds From Operations		Net Income (Loss)	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
(MILLIONS, EXCEPT AS NOTED)										
North America										
United States.....	2,426	1,897	\$ 69	\$ 67	\$ 108	\$ 85	\$ 57	\$ 45	\$ 6	\$ (67)
Canada.....	1,134	1,072	91	90	88	78	66	53	(10)	(20)
	3,560	2,969	76	75	196	163	123	98	(4)	(87)
Europe.....	908	904	118	105	96	67	79	48	(27)	(11)
Brazil.....	552	630	50	59	24	28	17	19	3	1
Asia.....	428	291	71	69	25	16	18	10	4	6
Total.....	5,448	4,794	\$ 80	\$ 78	\$ 341	\$ 274	\$ 237	\$ 175	\$ (24)	\$ (91)

⁽¹⁾ Includes realized foreign exchange hedge gains of approximately \$11 million included in other income.

North America

Funds From Operations at our North American business were \$123 million in 2020 versus \$98 million in the prior year, primarily due to growth from our increased ownership in TerraForm Power, net of the disposal of a 40% equity interest in an 852 MW wind portfolio in the United States (\$15 million and 760 GWh) and the benefit of production guarantees under our long-term service agreements.

Net loss attributable to Unitholders decreased by \$83 million over the prior year primarily due to the above noted increase in Funds From Operations and higher unrealized hedging gains on our energy contracts.

Europe

Funds From Operations at our European business were \$79 million in 2020 versus \$48 million in the prior year primarily due to growth from our increased ownership in TerraForm Power, net of asset sales (\$6 million and 97 GWh), and a gain of \$22 million realized on the sale of 47 MW of recently developed wind assets in Ireland. On a same store basis, Funds From Operations were higher than prior year as higher market prices due to generation mix and interest cost savings as a result of capital structure optimization were partly offset by lower resources.

Net loss attributable to Unitholders increased by \$16 million over the prior year as the above noted increase in Funds From Operations was more than offset by higher non-cash depreciation expense.

Brazil

Funds From Operations at our Brazilian business were \$17 million in 2020 versus \$19 million in the prior year. On a local currency basis, Funds From Operations increased by 17% over the prior year due to inflation indexation of our contracts and cost reduction initiatives that were partially offset by lower resource. The increase was more than offset by the weakening of the Brazilian reais versus the U.S. dollar.

Net income attributable to Unitholders increased by \$2 million over the prior year as lower non-cash depreciation expense due to the weakening of the Brazilian reais versus the U.S. dollar more than offset the above noted decrease in Funds From Operations.

Asia

Funds From Operations at our Asian wind business were \$18 million in 2020 versus \$10 million in the prior year. The increase is due to higher revenue per MWh attributable to the inflation indexation of our contracts, higher margin from our cost reduction initiatives and contribution from growth following the acquisition of 210 MW in India and 200 MW in China (\$4 million and 137 GWh).

SOLAR OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for solar operations for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2020	2019
<i>Generation (GWh) – LTA</i>	1,510	782
<i>Generation (GWh) – actual</i>	1,284	773
Revenue	\$ 245	\$ 138
Other income	50	16
Direct operating costs	(63)	(28)
Adjusted EBITDA	232	126
Interest expense	(90)	(52)
Current income taxes	(3)	—
Funds From Operations	\$ 139	\$ 74
Depreciation	(84)	(65)
Deferred taxes and other	(6)	(46)
Net income (loss)	<u>\$ 49</u>	<u>\$ (37)</u>

Funds From Operations and net income attributable to Unitholders at our solar business increased to \$139 million and \$21 million, respectively, in 2020 from \$74 million and a net loss of \$37 million, respectively, in the prior year, primarily due to the contribution from our increased ownership in TerraForm Power and other acquisitions, net of disposals of assets in South Africa and Thailand (\$45 million and 570 GWh).

ENERGY TRANSITION OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for energy transition business for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2020	2019
<i>Generation (GWh) – LTA</i>	475	196
<i>Generation (GWh) – actual⁽¹⁾</i>	795	550
Revenue	\$ 169	\$ 132
Other income	22	11
Direct operating costs	(61)	(56)
Adjusted EBITDA	130	87
Interest expense	(25)	(16)
Current income taxes	(2)	(1)
Funds From Operations	\$ 103	\$ 70
Depreciation	(62)	(23)
Deferred taxes and other	(40)	(5)
Net income	<u>\$ 1</u>	<u>\$ 42</u>

⁽¹⁾ Actual generation includes 375 GWh (2019: 374 GWh) from facilities that do not have a corresponding long-term average. See PART 9 – Presentation to Stakeholders’ for why we do not consider long-term average for certain of our facilities.

Funds From Operations at our energy transition business were \$103 million in 2020 versus \$70 million in the prior year due to the contribution from our distributed generation portfolio through our increased ownership in TerraForm Power and acquisitions (\$35 million and 246 GWh).

Net income attributable to Unitholders decreased by \$41 million as the above noted increase in Funds From Operations was more than offset by higher non-cash depreciation expense and higher non-cash accretion expenses.

CORPORATE

The following table presents our results for corporate for the year ended December 31:

(MILLIONS)	2020	2019
Other income	\$ 64	\$ 33
Direct operating costs	(23)	(23)
Adjusted EBITDA	41	10
Management service costs	(217)	(116)
Interest expense	(79)	(92)
Distributions ⁽¹⁾	(79)	(70)
Funds From Operations	\$ (334)	\$ (268)
Deferred taxes and other	(227)	(22)
Net loss	\$ (561)	\$ (290)

⁽¹⁾ Distributions on Preferred Units and Class A Preference Shares.

Management service costs totaling \$217 million increased \$101 million compared to the prior year due to the growth of our business.

In 2020, we recognized a provision of \$231 million at our subsidiary, TerraForm Power, relating to a litigation that predates the 2017 acquisition of an initial 51% interest in TerraForm Power by Brookfield Renewable and its institutional partners.

PROPORTIONATE RESULTS FOR THE YEAR ENDED DECEMBER 31, 2019 AND 2018

The following chart reflects the generation and summary financial figures on a **proportionate basis** for the year ended December 31:

	(GWh)				(MILLIONS)							
	Actual Generation		LTA Generation		Revenues		Adjusted EBITDA		Funds From Operations		Net Income (Loss)	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Hydroelectric												
North America	13,118	13,308	12,238	12,980	\$ 905	\$ 893	\$ 622	\$ 619	\$ 459	\$ 443	\$ 142	\$ 189
Brazil	3,707	3,633	3,996	3,927	234	244	181	173	150	142	59	3
Colombia	3,096	3,364	3,488	3,482	237	216	144	126	101	86	72	87
	19,921	20,305	19,722	20,389	1,376	1,353	947	918	710	671	273	279
Wind												
North America	2,969	2,713	3,556	3,169	223	219	163	157	98	96	(87)	15
Europe	904	677	996	764	95	73	67	57	48	38	(11)	8
Brazil	630	626	647	645	37	42	28	33	19	24	1	1
Asia	291	160	290	153	20	12	16	8	10	5	6	4
	4,794	4,176	5,489	4,731	375	346	274	255	175	163	(91)	28
Solar	773	662	782	550	138	116	126	92	74	53	(37)	16
Energy transition⁽¹⁾	550	610	196	174	132	115	87	74	70	52	42	21
Corporate	—	—	—	—	—	—	10	(16)	(268)	(263)	(290)	(264)
Total	<u>26,038</u>	<u>25,753</u>	<u>26,189</u>	<u>25,844</u>	<u>\$ 2,021</u>	<u>\$ 1,930</u>	<u>\$ 1,444</u>	<u>\$ 1,323</u>	<u>\$ 761</u>	<u>\$ 676</u>	<u>\$ (103)</u>	<u>\$ 80</u>

⁽¹⁾ Actual generation includes 374 GWh (2018: 519 GWh) from facilities that do not have a corresponding long-term average. See PART 9 – Presentation to Stakeholders' for why we do not consider long-term average for certain of our facilities.

HYDROELECTRIC OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for hydroelectric operations the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2019	2018
Generation (GWh) – LTA	19,722	20,389
Generation (GWh) – actual	19,921	20,305
Revenue	\$ 1,376	\$ 1,353
Other income	22	21
Direct operating costs	(451)	(456)
Adjusted EBITDA	947	918
Interest expense	(210)	(232)
Current income taxes	(27)	(15)
Funds From Operations	\$ 710	\$ 671
Depreciation	(332)	(385)
Deferred taxes and other	(105)	(7)
Net income	\$ 273	\$ 279

The following table presents our proportionate results by geography for hydroelectric operations for the year ended December 31:

	Actual Generation (GWh)		Average revenue Per MWh		Adjusted EBITDA		Funds From Operations		Net Income	
(MILLIONS, EXCEPT AS NOTED)	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
North America										
United States	10,525	9,953	\$ 68	\$ 67	\$ 473	\$ 443	\$ 358	\$ 325	\$ 118	\$ 116
Canada	2,593	3,355	74	68	149	176	101	118	24	73
	13,118	13,308	69	67	622	619	459	443	142	189
Brazil	3,707	3,633	63	67	181	173	150	142	59	3
Colombia	3,096	3,364	77	64	144	126	101	86	72	87
Total	19,921	20,305	\$ 69	\$ 67	\$ 947	\$ 918	\$ 710	\$ 671	\$ 273	\$ 279

North America

Funds From Operations at our North American business were \$459 million in 2019 versus \$443 million in the prior year. Higher average realized revenue per MWh in Canada due to inflation indexation of our contracts and higher same store generation due to strong hydrology conditions in the United States (6% above prior year and 10% above long-term average) more than offset the impact to Funds From Operations from the sale of a 25% interest in certain of our Canadian assets (\$24 million and 670 GWh).

Net income attributable to Unitholders decreased by \$47 million in 2019 over the prior year as the above noted increase in Funds From Operations were more than offset by higher non-cash expenses on certain energy contracts.

Brazil

Funds From Operations at our Brazilian business were \$150 million in 2019 versus \$142 million in the prior year. On a local currency basis, Funds From Operations increased 15% versus the prior year due to the benefit of higher same store generation, a positive ruling reaffirming the historical generation of our facilities, and growth of our portfolio through development projects that contributed 63 GWh and \$2 million to Funds from Operations. These increases were partially offset by the weakening of the Brazilian reais versus the United States dollar.

Net income attributable to Unitholders increased by \$56 million in 2019 over the prior year driven by the above noted increase in Funds From Operations and lower depreciation expense due to the weakening of the Brazilian reais versus the United States dollar.

Colombia

Funds From Operations at our Colombian business were \$101 million in 2019 versus \$86 million in the prior year as we benefited from cost-reduction initiatives and a 20% increase in revenue per MWh due to inflation indexation of our contracts and re-contracting efforts which were partially offset by generation that was 11% below long-term average as we stored water in anticipation of higher pricing in the upcoming dry season.

Net income attributable to Unitholders decreased by \$15 million in 2019 over the prior year as the above noted increase in Funds From Operations was more than offset by the impact of a deferred tax recovery as a result of new tax legislation that benefited the prior year.

WIND OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for wind operations for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2019	2018
Generation (GWh) – LTA	5,489	4,731
Generation (GWh) – actual	4,794	4,176
Revenue	\$ 375	\$ 346
Other income	6	13
Direct operating costs	(107)	(104)
Adjusted EBITDA	274	255
Interest expense	(96)	(93)
Current income taxes	(3)	1
Funds From Operations	\$ 175	\$ 163
Depreciation	(219)	(182)
Deferred taxes and other	(47)	47
Net (loss) income	\$ (91)	\$ 28

The following table presents our proportionate results by geography for wind operations for the year ended December 31:

	Actual Generation (GWh)		Average revenue per MWh		Adjusted EBITDA		Funds From Operations		Net Income (Loss)	
(MILLIONS, EXCEPT AS NOTED)	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
North America										
United States	1,897	1,613	\$ 67	\$ 76	\$ 85	\$ 76	\$ 45	\$ 36	\$ (67)	\$ 30
Canada	1,072	1,100	90	88	78	81	53	60	(20)	(15)
	2,969	2,713	75	81	163	157	98	96	(87)	15
Europe	904	677	105	110	67	57	48	38	(11)	8
Brazil	630	626	59	69	28	33	19	24	1	1
Asia	291	160	69	66	16	8	10	5	6	4
Total	4,794	4,176	\$ 78	\$ 84	\$ 274	\$ 255	\$ 175	\$ 163	\$ (91)	\$ 28

North America

Funds From Operations at our North American business were \$98 million versus \$96 million in the prior year. The contributions from growth in our portfolio as a result of increasing our ownership in TerraForm Power and cost-reduction initiatives were partially offset by the impact of lower same store generation relative to the prior year.

Net loss attributable to Unitholders increased by \$102 million over the prior year due to higher depreciation as a result of the growth of our portfolio and unrealized hedging losses.

Europe

Funds From Operations at our European business were \$48 million versus \$38 million in the prior year. The growth of our portfolio following the commissioning of 51 MW of new wind capacity and a full year contribution from recently completed acquisitions contributed 199 GWh and \$13 million to Funds From Operations, net of asset sales. Excluding an \$8 million gain on the sale of a development project in the United Kingdom that benefited the prior year, Funds From Operations increased \$5 million primarily as a result of stronger resource, operating cost reduction initiatives, and interest cost savings due to capital structure optimization.

Net loss attributable to Unitholders decreased by \$19 million over the prior year as the above noted increase in Funds From Operations was more than offset by higher unrealized hedging losses.

Brazil

Funds From Operations at our Brazilian business were \$19 million versus \$24 million in the prior year as a result of lower average realized prices due to a commercial initiative that benefited the prior year and the weakening of the Brazilian reais versus the United States dollar.

Net income attributable to Unitholders was consistent with the prior year as the above noted decrease in Funds From Operations was fully offset by unrealized foreign exchange losses in the prior year and lower depreciation expense due to the weakening of the Brazilian reais versus the United States dollar.

Asia

Funds From Operations and Net income attributable to Unitholders at our Asian wind business were \$10 million and \$6 million, an increase from \$5 million and \$4 million, respectively, relative to the prior year. The increase is primarily due to the contribution from the acquisition of 410 MW of capacity in Asia during the year (\$6 million and 123 GWh).

SOLAR OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for solar operations for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2019	2018
<i>Generation (GWh) – LTA</i>	782	550
<i>Generation (GWh) – actual</i>	773	662
Revenue.....	\$ 138	116
Other income.....	16	4
Direct operating costs.....	(28)	(28)
Adjusted EBITDA.....	126	92
Interest expense.....	(52)	(40)
Current income taxes.....	—	1
Funds From Operations.....	\$ 74	\$ 53
Depreciation.....	(65)	(32)
Deferred taxes and other.....	(46)	(5)
Net (loss) income.....	<u>\$ (37)</u>	<u>\$ 16</u>

Funds From Operations at our solar business increased to \$74 million from \$53 million in the prior year primarily due to the contribution from growth in our business and a full-year contribution from our recently acquired and commissioned facilities.

Net loss attributable to Unitholders at our solar business was \$37 million versus net income of \$16 million in the prior year as the above noted increase in Funds From Operations was more than offset by higher depreciation as we expanded our solar fleet and unrealized hedging losses.

ENERGY TRANSITION OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for energy transition business for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2019	2018
<i>Generation (GWh) – LTA</i>	196	174
<i>Generation (GWh) – actual⁽¹⁾</i>	550	610
Revenue.....	\$ 132	\$ 115
Other income.....	11	1
Direct operating costs.....	(56)	(42)
Adjusted EBITDA.....	87	74
Interest expense.....	(16)	(22)
Current income taxes.....	(1)	—
Funds From Operations.....	\$ 70	\$ 52
Depreciation.....	(23)	(30)
Deferred taxes and other.....	(5)	(1)
Net income.....	<u>\$ 42</u>	<u>\$ 21</u>

⁽¹⁾ Actual generation includes 374 GWh (2018: 519 GWh) from facilities that do not have a corresponding long-term average. See PART 9 – Presentation to Stakeholders’ for why we do not consider long-term average for certain of our facilities.

Funds From Operations and net income attributable to Unitholders at our energy transition businesses were \$70 million and \$42 million, respectively, versus \$52 million and \$21 million, respectively, in the prior year due to growth in our business, including the acquisition of a 322 MW distributed generation portfolio, partially offset by lower realized capacity prices in the northeast United States and lower generation at our biomass facilities in Brazil.

CORPORATE

The following table presents our results for corporate for the year ended December 31:

(MILLIONS)	2019	2018
Other income	\$ 33	\$ 7
Direct operating costs	(23)	(23)
Adjusted EBITDA	10	(16)
Management service costs	(116)	(84)
Interest expense	(92)	(99)
Distributions ⁽¹⁾	(70)	(64)
Funds From Operations	\$ (268)	\$ (263)
Deferred taxes and other	(22)	(1)
Net loss	<u>\$ (290)</u>	<u>\$ (264)</u>

⁽¹⁾ Distributions on Preferred Units and Class A Preference Shares.

Management service costs totaling \$116 million increased \$32 million compared to the prior year due to the growth of our business.

Distributions attributable to Preferred LP units and shares increased \$6 million compared to the prior year due to the C\$175 million (\$131 million) Preferred LP units issuance completed in the first quarter of 2019.

RECONCILIATION OF NON-IFRS MEASURES

The following table reflects Adjusted EBITDA and Funds From Operations and provides a reconciliation to net income (loss) for the year ended December 31, 2020:

(MILLIONS)	Attributable to Unitholders											Contribution from equity-accounted investments	Attributable to non-controlling interests	As per IFRS financials ⁽¹⁾
	Hydroelectric			Wind				Solar	Energy transition	Corporate	Total			
	North America	Brazil	Colombia	North America	Europe	Brazil	Asia							
Revenues	\$ 824	\$ 175	\$ 211	\$ 263	\$ 105	\$ 27	\$ 28	\$ 245	\$ 169	\$ —	\$ 2,047	\$ (72)	\$ 1,835	\$ 3,810
Other income	39	54	12	11	26	3	3	50	22	64	284	(29)	(127)	128
Direct operating costs	(301)	(52)	(92)	(78)	(35)	(6)	(6)	(63)	(61)	(23)	(717)	34	(591)	(1,274)
Share of Adjusted EBITDA from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	67	31	98
Adjusted EBITDA	562	177	131	196	96	24	25	232	130	41	1,614	—	1,148	
Management service costs	—	—	—	—	—	—	—	—	—	(217)	(217)	—	(18)	(235)
Interest expense	(143)	(18)	(30)	(73)	(15)	(6)	(6)	(90)	(25)	(79)	(485)	20	(511)	(976)
Current income taxes	1	(7)	(11)	—	(2)	(1)	(1)	(3)	(2)	—	(26)	4	(44)	(66)
Distributions attributable to														
Preferred limited partners equity	—	—	—	—	—	—	—	—	—	(54)	(54)	—	—	(54)
Preferred equity	—	—	—	—	—	—	—	—	—	(25)	(25)	—	—	(25)
Share of interest and cash taxes from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	(24)	(13)	(37)
Share of Funds From Operations attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	(562)	(562)
Funds From Operations	420	152	90	123	79	17	18	139	103	(334)	807	—	—	
Depreciation	(246)	(66)	(21)	(180)	(70)	(14)	(9)	(84)	(62)	(4)	(756)	21	(632)	(1,367)
Foreign exchange and financial instrument gain (loss)	(47)	3	(2)	47	(17)	—	(1)	(3)	(9)	(6)	(35)	8	154	127
Deferred income tax recovery (expense)	36	5	(3)	28	7	—	2	20	5	75	175	(6)	44	213
Other	(95)	1	4	(22)	(26)	—	(6)	(23)	(36)	(292)	(495)	11	52	(432)
Share of earnings from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	(34)	—	(34)
Net income attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	382	382
Net income (loss) attributable to Unitholders ⁽²⁾	\$ 68	\$ 95	\$ 68	\$ (4)	\$ (27)	\$ 3	\$ 4	\$ 49	\$ 1	\$ (561)	\$ (304)	\$ —	\$ —	\$ (304)

⁽¹⁾ Share of earnings from equity-accounted investments of \$27 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 \$180 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, BEPC exchangeable shares 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 and Funds From Operations and provides a reconciliation to net income (loss) for the year ended December 31, 2019:

(MILLIONS)	Attributable to Unitholders											Contribution from equity-accounted investments	Attributable to non-controlling interests	As per IFRS financials ⁽¹⁾
	Hydroelectric			Wind				Solar	Energy transition	Corporate	Total			
	North America	Brazil	Colombia	North America	Europe	Brazil	Asia							
Revenues	\$ 905	\$ 234	\$ 237	\$ 223	\$ 95	\$ 37	\$ 20	\$ 138	\$ 132	\$ —	\$ 2,021	\$ (79)	\$ 2,029	\$ 3,971
Other income	3	19	—	2	4	—	—	16	11	33	88	(8)	25	105
Direct operating costs	(286)	(72)	(93)	(62)	(32)	(9)	(4)	(28)	(56)	(23)	(665)	34	(632)	(1,263)
Share of Adjusted EBITDA from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	53	27	80
Adjusted EBITDA	622	181	144	163	67	28	16	126	87	10	1,444	—	1,449	
Management service costs	—	—	—	—	—	—	—	—	—	(116)	(116)	—	(19)	(135)
Interest expense	(156)	(20)	(34)	(66)	(17)	(8)	(5)	(52)	(16)	(92)	(466)	13	(548)	(1,001)
Current income taxes	(7)	(11)	(9)	1	(2)	(1)	(1)	—	(1)	—	(31)	2	(41)	(70)
Distributions attributable to														
Preferred limited partners equity	—	—	—	—	—	—	—	—	—	(44)	(44)	—	—	(44)
Preferred equity	—	—	—	—	—	—	—	—	—	(26)	(26)	—	—	(26)
Share of interest and cash taxes from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	(15)	(12)	(27)
Share of Funds From Operations attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	(829)	(829)
Funds From Operations	459	150	101	98	48	19	10	74	70	(268)	761	—	—	
Depreciation	(227)	(84)	(21)	(150)	(47)	(17)	(5)	(65)	(23)	(4)	(643)	13	(641)	(1,271)
Foreign exchange and financial instrument gain (loss)	11	(5)	(2)	(2)	(10)	(3)	1	1	(3)	(18)	(30)	(2)	(4)	(36)
Deferred income tax recovery (expense)	(27)	4	(4)	—	10	—	—	1	—	46	30	—	(3)	27
Other	(74)	(6)	(2)	(33)	(12)	2	—	(48)	(2)	(46)	(221)	9	(64)	(276)
Share of earnings from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	(20)	(4)	(24)
Net income attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	716	716
Net income (loss) attributable to Unitholders ⁽²⁾	\$ 142	\$ 59	\$ 72	\$ (87)	\$ (11)	\$ 1	\$ 6	\$ (37)	\$ 42	\$ (290)	\$ (103)	\$ —	\$ —	\$ (103)

⁽¹⁾ Share of earnings from equity-accounted investments of \$29 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 \$113 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 reflects Adjusted EBITDA and Funds From Operations and provides a reconciliation to net income (loss) for the year ended December 31, 2018:

(MILLIONS)	Attributable to Unitholders											Contribution from equity-accounted investments	Attributable to non-controlling interests	As per IFRS financials ⁽¹⁾
	Hydroelectric			Wind				Solar	Energy transition	Corporate	Total			
	North America	Brazil	Colombia	North America	Europe	Brazil	Asia							
Revenues	\$ 893	\$ 244	\$ 216	\$ 219	\$ 73	\$ 42	\$ 12	\$ 116	\$ 115	\$ —	\$ 1,930	\$ (76)	\$ 1,943	\$ 3,797
Other income	12	5	4	2	11	—	—	4	1	7	46	—	29	75
Direct operating costs	(286)	(76)	(94)	(64)	(27)	(9)	(4)	(28)	(42)	(23)	(653)	27	(647)	(1,273)
Share of Adjusted EBITDA from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	49	22	71
Adjusted EBITDA	619	173	126	157	57	33	8	92	74	(16)	1,323	—	1,347	
Management service costs	—	—	—	—	—	—	—	—	—	(84)	(84)	—	(10)	(94)
Interest expense	(172)	(22)	(38)	(63)	(17)	(9)	(4)	(40)	(22)	(99)	(486)	14	(501)	(973)
Current income taxes	(4)	(9)	(2)	2	(2)	—	1	1	—	—	(13)	1	(20)	(32)
Distributions attributable to														
Preferred limited partners equity	—	—	—	—	—	—	—	—	—	(38)	(38)	—	—	(38)
Preferred equity	—	—	—	—	—	—	—	—	—	(26)	(26)	—	—	(26)
Share of interest and cash taxes from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	(15)	(10)	(25)
Share of Funds From Operations attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	(806)	(806)
Funds From Operations	443	142	86	96	38	24	5	53	52	(263)	676	—	—	
Depreciation	(231)	(136)	(18)	(124)	(43)	(13)	(2)	(32)	(30)	(2)	(631)	13	(533)	(1,151)
Foreign exchange and financial instrument gain (loss)	(1)	(1)	7	30	9	(10)	3	(16)	(1)	—	20	(1)	18	37
Deferred income tax recovery (expense)	(1)	1	18	43	2	—	—	24	12	24	123	—	252	375
Other	(21)	(3)	(6)	(30)	2	—	(2)	(13)	(12)	(23)	(108)	1	(99)	(206)
Share of earnings from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	(13)	(5)	(18)
Net income attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	367	367
Net income (loss) attributable to Unitholders ⁽²⁾	\$ 189	\$ 3	\$ 87	\$ 15	\$ 8	\$ 1	\$ 4	\$ 16	\$ 21	\$ (264)	\$ 80	\$ —	\$ —	\$ 80

⁽¹⁾ Share of earnings from equity-accounted investments of \$28 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 \$439 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 reconciles the non-IFRS financial measures to the most directly comparable IFRS measures. Net income (loss) attributable to Unitholders is reconciled to Funds From Operations, Proportionate Adjusted EBITDA and Consolidated Adjusted EBITDA for the years indicated:

(MILLIONS)	2020	2019	2018
Net income (loss) attributable to:			
Limited partners' equity	\$ (184)	\$ (88)	\$ 23
General partnership interest in a holding subsidiary held by Brookfield	62	50	41
Participating non-controlling interests – in a holding subsidiary – Redeemable/ Exchangeable units held by Brookfield	(133)	(65)	16
Class A Shares of Brookfield Renewable Corporation	(49)	—	—
Net income (loss) attributable to Unitholders	\$ (304)	\$ (103)	\$ 80
Depreciation	756	643	631
Foreign exchange and financial instruments loss (gain)	35	30	(20)
Deferred income tax (recovery) expense	(175)	(30)	(123)
Other	495	221	108
Funds From Operations	\$ 807	\$ 761	\$ 676
Distributions attributable to:			
Preferred limited partners' equity	54	44	38
Preferred equity	25	26	26
Current income taxes	26	31	13
Interest expense	485	466	486
Management service costs	217	116	84
Proportionate Adjusted EBITDA	\$ 1,614	\$ 1,444	\$ 1,323
Attributable to non-controlling interests	1,148	1,449	1,347
Consolidated Adjusted EBITDA	\$ 2,762	\$ 2,893	\$ 2,670

The following table reconciles the per unit non-IFRS financial measures to the most directly comparable IFRS measures. Basic earnings per LP unit is reconciled to Funds From Operations per Unit, for the years indicated:

	2020	2019	2018
Basic loss per LP unit ⁽¹⁾⁽²⁾	\$ (0.61)	\$ (0.26)	\$ 0.07
Depreciation	1.24	1.10	1.08
Foreign exchange and financial instruments loss (gain)	0.06	0.05	(0.03)
Deferred income tax (recovery) expense	(0.29)	(0.05)	(0.21)
Other	0.92	0.46	0.24
Funds From Operations per Unit ⁽¹⁾⁽³⁾	\$ 1.32	\$ 1.30	\$ 1.15

⁽¹⁾ Adjusted for the three-for-two Unit split effective December 11, 2020.

⁽²⁾ During the year ended December 31, 2020, on average there were 271.1 million LP units outstanding (2019: 268.3 million, 2018: 270.4 million, 2017: 260.2 million, 2016: 234.6 million).

⁽³⁾ Average units outstanding, for the year ended December 31, 2020, were 609.5 million (2019: 583.5 million, 2018: 585.6 million, 2017: 575.4 million, 2016: 549.8 million), being inclusive of GP interest, Redeemable/Exchangeable partnership units, LP units, and BEPC exchangeable shares.

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 95% 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 14 years on a proportionate basis.

(GWh, except as noted)	2021	2022	2023	2024	2025
Hydroelectric					
North America					
United States ⁽¹⁾	7,634	6,547	4,575	4,575	4,575
Canada	2,144	2,097	2,020	2,006	2,006
	9,778	8,644	6,595	6,581	6,581
Wind					
North America					
United States	2,840	2,777	2,802	2,305	2,295
Canada	1,358	1,358	1,358	1,358	1,358
	4,198	4,135	4,160	3,663	3,653
Europe	1,220	1,220	1,209	1,140	1,076
Asia	417	417	417	417	290
	5,835	5,772	5,786	5,220	5,019
Solar – Utility	1,890	1,910	1,924	1,929	1,923
Energy transition	708	705	702	696	686
Contracted on a proportionate basis	18,211	17,031	15,007	14,426	14,209
Uncontracted on a proportionate basis	3,501	4,681	6,705	7,286	7,503
Long-term average on a proportionate basis	21,712	21,712	21,712	21,712	21,712
Non-controlling interests	13,563	13,563	13,563	13,563	13,563
Total long-term average	35,275	35,275	35,275	35,275	35,275
Contracted generation as a % of total generation on a proportionate basis	84 %	78 %	69 %	66 %	65 %
Price per MWh – total generation on a proportionate basis	\$ 91	\$ 94	\$ 103	\$ 105	\$ 107

⁽¹⁾ Includes generation of 2,421 GWh for 2021 and 2,047 GWh for 2022 secured under financial contracts.

Weighted-average remaining contract durations on a proportionate basis are 16 years in North America, 14 years in Europe, 8 years in Brazil, 3 years in Colombia, and 18 years across our remaining jurisdictions.

In North America, over the next five years, a number of contracts will expire at our hydroelectric facilities. Based on current market prices for energy and ancillary products, we do not foresee a negative impact to cash flows from contracts expiring over the next five years.

In our Brazilian and Colombian portfolios, we continue to focus on securing long-term contracts while maintaining a certain percentage of uncontracted generation so as to mitigate hydrology risk.

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 economic exposure of our contracted generation on a proportionate basis is distributed as follows: power authorities (39%), distribution companies (24%), industrial users (20%) and Brookfield (17%).

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 with no maintenance covenants. Substantially all of our debt is either investment grade rated or sized to investment grade and approximately 90% of debt is project level.

The following table summarizes our capitalization as at December 31:

(MILLIONS, EXCEPT AS NOTED)	Corporate		Consolidated	
	2020	2019	2020	2019
Corporate credit facility ⁽¹⁾	\$ —	\$ 299	\$ —	\$ 299
Commercial paper ⁽¹⁾⁽²⁾	3	—	3	—
Debt				
Medium term notes ⁽³⁾	2,140	1,808	2,140	1,808
Non-recourse borrowings ⁽⁴⁾	—	—	16,006	15,227
	2,140	1,808	18,146	17,035
Deferred income tax liabilities, net ⁽⁵⁾	—	—	5,310	4,689
Equity				
Non-controlling interest	—	—	11,100	11,086
Preferred equity	609	597	609	597
Preferred limited partners' equity	1,028	833	1,028	833
Unitholders' equity	9,030	7,964	9,030	7,964
Total capitalization	<u>\$ 12,807</u>	<u>\$ 11,202</u>	<u>\$ 45,223</u>	<u>\$ 42,204</u>
Debt-to-total capitalization	17 %	16 %	40 %	40 %
Debt-to-total capitalization (market value) ⁽⁶⁾	6 %	10 %	27 %	34 %

⁽¹⁾ Draws on corporate credit facilities and commercial paper issuances are excluded from the debt-to-total capitalization ratios as they are not a permanent source of capital.

⁽²⁾ Our commercial paper program is supplemented by our \$1.75 billion corporate credit facilities with a weighted-average maturity of four years.

⁽³⁾ Medium term notes are unsecured and guaranteed by Brookfield Renewable and excludes \$8 million (2019: \$7 million) of deferred financing fees, net of unamortized premiums.

⁽⁴⁾ Consolidated non-recourse borrowings include \$15 million (2019: \$142 million) borrowed under a subscription facility of a Brookfield sponsored private fund and excludes \$59 million (2019: \$27 million) of deferred financing fees, net of unamortized premiums.

⁽⁵⁾ Deferred income tax liabilities less deferred income tax assets.

⁽⁶⁾ Based on market values of Preferred equity, Preferred limited partners' equity and Unitholders' equity.

AVAILABLE LIQUIDITY

The following table summarizes the available liquidity as at December 31:

(MILLIONS)	2020	2019
Brookfield Renewable's share of cash and cash equivalents	\$ 291	\$ 143
Investments in marketable securities	183	95
Corporate credit facilities		
Authorized credit facilities ⁽¹⁾	2,150	2,150
Draws on credit facilities	—	(299)
Authorized letter of credit facility	400	400
Issued letters of credit	(300)	(266)
Available portion of corporate credit facilities	2,250	1,985
Available portion of subsidiary credit facilities on a proportionate basis	546	472
Available liquidity	<u>\$ 3,270</u>	<u>\$ 2,695</u>

⁽¹⁾ Amounts are guaranteed by Brookfield Renewable.

We operate with sufficient liquidity to enable us to fund growth initiatives, capital expenditures, distributions and withstand sudden adverse changes in economic circumstances or short-term fluctuations in generation. We maintain a strong, investment grade balance sheet characterized by a conservative capital structure, access to multiple funding levers including a focus on capital recycling on an opportunistic basis, and diverse sources of capital. Principal sources of liquidity are cash flows from operations, our credit facilities, up-financings on non-recourse borrowings and proceeds from the issuance of various securities through public markets.

BORROWINGS

The composition of debt obligations, overall maturity profile, and average interest rates associated with our borrowings and credit facilities on a proportionate basis as at December 31 is presented in the following table:

(MILLIONS, EXCEPT AS NOTED)	2020			2019		
	Weighted-average Interest rate %	Term (years)	Total	Weighted-average Interest rate %	Term (years)	Total
Corporate borrowings						
Medium term notes	3.9	14	\$ 2,140	4.1	10	\$ 1,808
Credit facilities	N/A	4	—	2.9	5	299
Commercial paper ⁽¹⁾	0.4	<1	3	N/A	N/A	N/A
Proportionate non-recourse borrowings						
Hydroelectric	4.6	9	4,123	5.6	10	3,727
Wind	3.9	10	2,540	4.5	10	1,742
Solar	3.3	13	2,534	4.9	12	1,158
Energy transition	4.0	11	864	4.6	5	547
	<u>4.0</u>	<u>11</u>	<u>10,061</u>	<u>5.1</u>	<u>10</u>	<u>7,174</u>
			\$ 12,204			\$ 9,281
Proportionate unamortized financing fees, net of unamortized premiums			(45)			(46)
			12,159			9,235
Equity-accounted borrowings			(332)			(431)
Non-controlling interests			6,255			8,496
As per IFRS Statements			<u>\$ 18,082</u>			<u>\$ 17,300</u>

⁽¹⁾ Our commercial paper program is supplemented by our \$1.75 billion corporate credit facilities.

The following table summarizes our undiscounted principal repayments, scheduled amortization and interest repayable on a proportionate basis as at December 31, 2020:

(MILLIONS)	2021	2022	2023	2024	2025	Thereafter	Total
Debt principal repayments⁽¹⁾							
Medium term notes ⁽²⁾	\$ —	\$ —	\$ —	\$ —	\$ 314	\$ 1,826	\$ 2,140
Non-recourse borrowings							
Credit facilities	48	30	100	—	—	—	178
Hydroelectric	—	210	487	81	328	1,826	2,932
Wind	—	9	184	—	—	503	696
Solar	—	—	207	—	5	416	628
Energy transition	62	—	54	—	152	—	268
	110	249	1,032	81	485	2,745	4,702
Amortizing debt principal repayments							
Non-recourse borrowings							
Hydroelectric	122	99	92	98	92	586	1,089
Wind	161	167	169	175	166	960	1,798
Solar	129	123	122	130	134	1,238	1,876
Energy transition	50	46	49	34	28	389	596
	462	435	432	437	420	3,173	5,359
Total	\$ 572	\$ 684	\$ 1,464	\$ 518	\$ 1,219	\$ 7,744	\$ 12,201
Interest payable⁽¹⁾⁽³⁾							
Corporate borrowings ⁽¹⁾	\$ 83	\$ 83	\$ 83	\$ 83	\$ 77	\$ 728	\$ 1,137
Non-recourse borrowings							
Hydroelectric	188	171	160	145	131	546	1,341
Wind	106	99	90	80	73	245	693
Solar	110	103	90	80	74	297	754
Energy transition	24	17	17	18	13	41	130
	428	390	357	323	291	1,129	2,918
Total	\$ 511	\$ 473	\$ 440	\$ 406	\$ 368	\$ 1,857	\$ 4,055

(1) Draws on corporate credit facilities and commercial paper issuances are excluded from the debt repayment schedule as they are not a permanent source of capital.

(2) Medium term notes are unsecured and guaranteed by Brookfield Renewable and excludes \$8 million (2019: \$7 million) of deferred financing fees, net of unamortized premiums.

(3) Represents aggregate interest payable expected to be paid over the entire term of the obligations, if held to maturity. Variable rate interest payments have been calculated based on estimated interest rates.

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 2025 on acceptable terms and will do so opportunistically based on the prevailing interest rate environment.

CAPITAL EXPENDITURES

We fund growth capital expenditures with cash flow generated from operations, supplemented by non-recourse debt sized to investment grade coverage and covenant thresholds. This is designed to ensure that our investments have stable capital structures supported by a substantial level of equity and that cash flows at the asset level can be remitted freely to our company. This strategy also underpins our investment grade profile.

To fund large scale development projects and acquisitions, we will evaluate a variety of capital sources including proceeds from selling mature businesses, in addition to raising money in the capital markets through equity, debt and preferred share issuances. Furthermore, we have \$2.15 billion committed revolving credit facilities available for investments and acquisitions, as well as funding the equity component of organic growth initiatives. The facilities are intended, and have historically been used, as a bridge to a long-term financing strategy rather than a permanent source of capital.

CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table summarizes the key items in the audited annual consolidated statements of cash flows, for the year ended December 31:

(MILLIONS)	2020	2019	2018
Cash flow provided by (used in):			
Operating activities.....	\$ 1,296	\$ 1,554	\$ 1,286
Financing activities.....	(792)	(402)	(684)
Investing activities.....	(426)	(1,211)	(1,077)
Foreign exchange (loss) gain on cash.....	13	(6)	(22)
(Decrease) increase in cash and cash equivalents.....	<u>\$ 91</u>	<u>\$ (65)</u>	<u>\$ (497)</u>

Operating Activities

Cash flows provided by operating activities for the year ended December 31, 2020, net of working capital changes, totaled \$1,451 million compared to \$1,607 million in 2019 and \$1,380 million in 2018, reflecting the strong operating performance of our business during the periods.

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

(MILLIONS)	2020	2019	2018
Trade receivables and other current assets.....	\$ (2)	\$ (66)	\$ (122)
Accounts payable and accrued liabilities.....	(91)	17	(18)
Other assets and liabilities.....	(62)	(4)	46
	<u>\$ (155)</u>	<u>\$ (53)</u>	<u>\$ (94)</u>

Financing Activities

Cash flows used in financing activities totaled \$792 million for the year ended December 31, 2020. Our investment grade balance sheet provided access to multiple sources of capital to fund the growth of our business as discussed below in our investing activities. This included proceeds raised from our inaugural \$200 million Series 17 Preferred Units in the United States during the first quarter of 2020, our issuance of C\$350 million (\$248 million) ten-year corporate green bonds, and C\$425 million (\$319 million) thirty-year corporate green bonds, the sale of a 40% equity interest in an 852 MW wind portfolio in the United States and net up-financing proceeds received from non-recourse financings, commercial paper and corporate credit facilities, which was more than offset by the repayments of borrowings, including our repayment of C\$400 million (\$304 million) Series 8 medium term notes prior to maturity.

Distributions paid during the year ended December 31, 2020, 2019 and 2018 to Unitholders were \$769 million, \$684 million and \$643 million, respectively. We increased our distributions to \$1.16 per LP unit (adjusted for the special distribution and Unit split) in 2020 (2019: \$1.10 and 2018: \$1.05), representing a 5% increase per LP unit, which took effect in the first quarter of 2020. The distributions paid to preferred shareholders, preferred limited partners' unitholders and participating non-controlling interests in operating subsidiaries totaled \$628 million, \$913 million and \$733 million, respectively.

Cash flows used in financing activities totaled \$402 million for the year ended December 31, 2019. To further optimize our capital structure and enhance our liquidity position, we issued C\$175 million Series 15 Preferred Units in the first quarter of 2019 and issued \$4.3 billion of long-term debt, including C\$600 million corporate green bond financings in Canada, offset by repayments of \$3.8 billion during the year, including the early redemption of our Series 7 (C\$450 million) medium term notes due 2020 which extended the average maturity of our medium term notes to ten years. To support our growth and recycle capital into more accretive opportunities, we completed the sale of an additional 25% non-controlling interest in a portfolio of select Canadian hydroelectric assets in the first quarter of 2019 for proceeds of \$268 million. Distributions paid to non-controlling interests of our operating subsidiaries increased to \$844 million in 2019, primarily due to the strong performance of our Colombian business during the year.

Cash flows used in financing activities totaled \$684 million for the year ended December 31, 2018. We completed the sale of a 25% non-controlling interest in a portfolio of select Canadian hydroelectric assets in the fourth quarter of 2018 for proceeds of \$300 million. To optimize our capital structure and enhance our liquidity position, we issued Preferred Units during the first quarter of 2018 for net proceeds of \$196 million. Distributions of \$670 million were paid to non-controlling interests of our operating subsidiaries, of which \$251 million is attributable to the growth in our portfolio.

Investing Activities

Cash flows used in investing activities totaled \$426 million for the year ended December 31, 2020. We invested \$316 million into our acquisitions, equity-accounted investments and other financial investments, including a 100 MW solar portfolio in Spain, the second tranche of our convertible securities of TransAlta and a portfolio of loans secured by almost 2,500 MW of operating assets from one of the largest non-banking financial companies in India. These investments were partially funded by the proceeds received from the completed sale of 47 MW of wind assets in Ireland completed during the fourth quarter of 2020. Our continued investment in our property, plant and equipment, including the construction of 1,800 MW of shovel-ready solar development projects in Brazil, was \$447 million.

Cash flows used in investing activities totaled \$1,211 million for the year ended December 31, 2019. During the fourth quarter of 2019, we invested \$144 million into our equity-accounted investments, including the formation of a 50-50 joint venture in respect of X-Elio. This investment was partially funded by the proceeds received from the completed sales of five of the six projects making up our wind and solar portfolio in South Africa and 191 MW of wind assets in Europe. Our continued investment in our property, plant and equipment was \$460 million. The cash used to acquire a 210 MW wind portfolio in India, a 200 MW wind facility in China, and a 320 MW distributed generation solar facility in the United States totaled \$983 million, net of cash acquired.

Cash flows used in investing activities totaled \$1,077 million for the year ended December 31, 2018. Our continued investment in our property, plant and equipment was \$271 million. The cash used to acquire Saeta, a Spanish renewable power company with over 1,000 MW of solar and wind facilities, a 49 MW solar and wind portfolio in South Africa and a 23 MW wind portfolio in Ireland in the fourth quarter of 2018 totaled \$970 million, net of cash acquired.

SHARES AND UNITS OUTSTANDING

Shares and units outstanding as at December 31 are as follows:

	2020	2019
Class A Preference Shares⁽¹⁾	31,035,967	31,035,967
Preferred Units⁽²⁾		
Balance, beginning of year	44,885,496	37,885,496
Issuance	8,000,000	7,000,000
Balance, end of year	52,885,496	44,885,496
GP interest⁽³⁾	3,977,260	3,977,260
Redeemable/Exchangeable partnership units⁽³⁾	194,487,939	194,487,939
BEPC exchangeable shares⁽³⁾	172,180,417	—
LP units⁽³⁾		
Balance, beginning of year	268,466,704	268,231,810
Issued pursuant to merger with TerraForm Power.....	6,051,704	—
Distribution reinvestment plan.....	182,965	264,894
Exchanged for BEPC exchangeable shares.....	136,517	—
Repurchased for cancellation	—	(30,000)
Balance, end of year	274,837,890	268,466,704
Total LP units on a fully-exchanged basis⁽⁴⁾	641,506,246	462,954,643

⁽¹⁾ Class A Preference Shares are broken down by series as follows: 6,849,533 Series 1 Class A Preference Shares are outstanding; 3,110,531 Series 2 Class A Preference Shares are outstanding; 9,961,399 Series 3 Class A Preference Shares are outstanding; 4,114,504 Series 5 Class A Preference Shares are outstanding; and 7,000,000 Series 6 Class A Preference Shares are outstanding.

⁽²⁾ Preferred Units are broken down by series and certain series are convertible on a one-for-one basis at the option of the holder as follows: 2,885,496 Series 5 Preferred Units are outstanding; 7,000,000 Series 7 Preferred Units are outstanding (convertible for Series 8 Preferred Units beginning on January 31, 2021); 8,000,000 Series 9 Preferred Units are outstanding (convertible for Series 10 Preferred Units beginning on July 31, 2021); 10,000,000 Series 11 Preferred Units are outstanding (convertible for Series 12 Preferred Units beginning on April 30, 2022); 10,000,000 Series 13 Preferred Units are outstanding (convertible for Series 14 Preferred Units beginning on April 30, 2023); 7,000,000 Series 15 Preferred Units are outstanding (convertible for Series 16 Preferred Units beginning on April 30, 2024); and 8,000,000 Series 17 Preferred Units are outstanding.

⁽³⁾ Adjusted to reflect the three-for-two Unit split effective December 11, 2020.

⁽⁴⁾ The fully-exchanged amounts assume the exchange of all Redeemable/Exchangeable partnership units and BEPC exchangeable shares for LP units.

DIVIDENDS AND DISTRIBUTIONS

The following table summarizes the dividends and distributions declared and paid, for the year ended December 31:

(MILLIONS)	Declared			Paid		
	2020	2019	2018	2020	2019	2018
Class A Preference Shares	\$ 25	\$ 26	\$ 26	\$ 25	\$ 26	\$ 26
Class A Preferred LP units	\$ 54	\$ 44	\$ 38	\$ 52	\$ 43	\$ 37
Participating non-controlling interests – in operating subsidiaries	\$ 551	\$ 844	\$ 664	\$ 551	\$ 844	\$ 670
GP Interest and incentive distributions	\$ 70	\$ 55	\$ 45	\$ 70	\$ 54	\$ 44
Redeemable/Exchangeable partnership units	\$ 250	\$ 268	\$ 255	\$ 250	\$ 267	\$ 254
BEPC exchangeable shares	\$ 116	\$ —	\$ —	\$ 100	\$ —	\$ —
LP units	\$ 349	\$ 370	\$ 355	\$ 349	\$ 363	\$ 345

LP unit distributions per unit on an annualized basis were increased as follows:

Date of Increase	Amount of Increase	% Increase	Annual Distribution	Distribution Effective Date
February 2016	\$0.06	7%	\$0.95	March 2016
February 2017	\$0.05	5%	\$1.00	March 2017
February 2018	\$0.05	5%	\$1.05	March 2018
February 2019	\$0.05	5%	\$1.10	March 2019
February 2020	\$0.06	5%	\$1.16	March 2020
February 2021	\$0.06	5%	\$1.22	March 2021

CONTRACTUAL OBLIGATIONS

Please see Note 29 – Commitments, contingencies and guarantees in the audited annual 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; and
- Guarantees – Nature of all the indemnification undertakings

OFF-STATEMENT OF FINANCIAL POSITION ARRANGEMENTS

Brookfield Renewable does not have any off-statement of financial position arrangements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Brookfield Renewable issues letters of credit from its corporate credit facilities for general corporate purposes which include, but are not limited to, security deposits, performance bonds and guarantees for reserve accounts. As at December 31, 2020, letters of credit issued amounted to \$716 million (2019: \$718 million).

In connection to an adverse summary judgment ruling received in a litigation relating to a historical contract dispute at its subsidiary, TerraForm Power, in which the plaintiffs were awarded approximately \$231 million plus 9% annual non-compounding interest that has accrued at the New York State statutory rate since May 2016, a surety bond was posted with the court for the judgment amount plus one year of additional 9% interest on the judgment amount. See Note 29 – Commitments, contingencies and guarantees in the audited annual consolidated financial statements for further details. See also Item 3.D “Risk Factors – Risks Relating to Our Operations and the Renewable Power Industry – We are involved in litigation and other disputes and may be subject to governmental and regulatory investigations” and Item 4.B “Business Overview – Governmental, Legal and Arbitration Proceeding – Claim relating to TerraForm Power’s First Wind Acquisition” in our Form 20-F for the annual period ending December 31, 2020.

PART 6 – SELECTED QUARTERLY INFORMATION

HISTORICAL OPERATIONAL AND FINANCIAL INFORMATION

YEAR ENDED DECEMBER 31
(MILLIONS, EXCEPT AS NOTED)

	2020	2019	2018
Operational information:			
Capacity (MW).....	18,844	18,883	17,419
Total generation (GWh)			
Long-term average generation.....	57,457	53,926	51,971
Actual generation.....	52,782	52,560	52,056
Proportionate generation (GWh)			
Long-term average generation.....	27,998	26,189	25,844
Actual generation.....	26,052	26,038	25,753
Average revenue (\$ per MWh).....	81	78	75
Additional financial information:			
Net income (loss) attributable to Unitholders.....	\$ (304)	\$ (103)	\$ 80
Basic earnings (loss) per LP unit ⁽¹⁾⁽²⁾	(0.61)	(0.26)	0.07
Consolidated Adjusted EBITDA ⁽³⁾	2,762	2,893	2,670
Proportionate Adjusted EBITDA ⁽³⁾	1,614	1,444	1,323
Funds From Operations ⁽³⁾	807	761	676
Funds From Operations per Unit ⁽¹⁾⁽³⁾⁽⁴⁾	1.32	1.30	1.15
Distribution per LP unit ⁽¹⁾	1.16	1.10	1.05
YEAR ENDED DECEMBER 31 (MILLIONS, EXCEPT AS NOTED)			
	2020	2019	2018
Property, plant and equipment, at fair value.....	\$ 44,590	\$ 41,055	\$ 38,177
Equity-accounted investments.....	971	937	684
Total assets.....	49,722	46,196	43,508
Total borrowings.....	18,082	17,300	16,546
Deferred income tax liabilities.....	5,515	4,855	4,355
Other liabilities.....	4,358	3,561	3,205
Participating non-controlling interests – in operating subsidiaries.....	11,100	11,086	10,289
General partnership interest in a holding subsidiary held by Brookfield.....	56	68	67
Participating non-controlling interests – in a holding subsidiary – Redeemable/ Exchangeable units held by Brookfield.....	2,721	3,317	3,266
Class A shares of Brookfield Renewable Corporation.....	2,408	—	—
Preferred equity.....	609	597	568
Preferred limited partners' equity.....	1,028	833	707
Limited partners' equity.....	3,845	4,579	4,505
Total liabilities and equity.....	49,722	46,196	43,508
Debt-to-total capitalization (market value) ⁽⁵⁾	27 %	34 %	34 %

⁽¹⁾ Adjusted for the three-for-two Unit split effective December 11, 2020.

⁽²⁾ For the year ended December 31, 2020, average LP units totaled 271.1 million (2019: 268.3 million 2018: 270.4 million 2017: 260.2 million 2016: 234.6 million).

⁽³⁾ Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure, See "Cautionary Statement Regarding Use of Non-IFRS Measures" and "PART 4 – Financial Performance Review on Proportionate Information – Reconciliation of Non-IFRS Measures".

⁽⁴⁾ Average Units outstanding for the year ended December 31, 2020 totaled 609.5 million (2019: 583.5 million, 2018: 585.6 million, 2017: 575.4 million, and 2016: 549.8 million), being inclusive of our LP units, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and GP interest.

⁽⁵⁾ Based on market values of Preferred equity, Preferred limited partners' equity and Unitholders' equity.

SUMMARY OF HISTORICAL QUARTERLY RESULTS

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

(MILLIONS, EXCEPT AS NOTED)	2020				2019			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total Generation (GWh) – LTA	14,333	13,446	15,527	14,151	13,850	12,332	14,252	13,493
Total Generation (GWh) – actual	13,247	12,007	13,264	14,264	12,465	11,089	14,881	14,125
Proportionate Generation (GWh) – LTA	7,354	6,618	7,309	6,717	6,561	5,821	7,109	6,698
Proportionate Generation (GWh) – actual	6,583	5,753	6,552	7,164	5,977	5,213	7,602	7,246
Revenues	\$ 952	\$ 867	\$ 942	\$ 1,049	\$ 965	\$ 897	\$ 1,051	\$ 1,058
Net income (loss) attributable to Unitholders	(120)	(162)	(23)	1	(74)	(58)	21	8
Basic earnings (loss) per LP unit⁽¹⁾	(0.22)	(0.29)	(0.07)	(0.03)	(0.15)	(0.12)	0.02	(0.01)
Consolidated Adjusted EBITDA	717	611	677	757	727	649	770	777
Proportionate Adjusted EBITDA	456	371	396	391	348	301	400	395
Funds From Operations	201	157	232	217	171	133	230	227
Funds From Operations per Unit ⁽¹⁾	0.31	0.25	0.40	0.37	0.29	0.23	0.39	0.39
Distribution per LP unit ⁽¹⁾	0.29	0.29	0.29	0.29	0.275	0.275	0.275	0.275

⁽¹⁾ Adjusted for the three-for-two Unit split effective December 11, 2020.

PROPORTIONATE RESULTS FOR THE THREE MONTHS ENDED DECEMBER 31

The following chart reflects the generation and summary financial figures on a proportionate basis for the three months ended December 31:

	(GWh)				(MILLIONS)							
	Actual Generation		LTA Generation		Revenues		Adjusted EBITDA		Funds From Operations		Net Income (Loss)	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Hydroelectric												
North America	2,514	2,858	2,912	2,912	\$ 182	\$ 205	\$ 104	\$ 130	\$ 67	\$ 93	\$ 4	\$ 3
Brazil	849	817	1,007	1,009	39	61	63	37	58	31	58	4
Colombia	966	749	977	968	57	63	38	37	23	26	21	16
	4,329	4,424	4,896	4,889	278	329	205	204	148	150	83	23
Wind												
North America	1,132	779	1,349	934	90	56	58	43	39	31	36	(28)
Europe	338	241	357	267	41	24	51	17	45	10	13	7
Brazil	143	176	169	172	6	10	6	8	4	5	2	(2)
Asia	123	107	104	104	8	7	8	6	5	2	(1)	4
	1,736	1,303	1,979	1,477	145	97	123	74	93	48	50	(19)
Solar	303	139	339	139	77	26	84	29	52	16	34	(23)
Energy transition⁽¹⁾	215	111	140	56	54	33	39	22	28	16	15	8
Corporate	—	—	—	—	—	—	5	19	(120)	(59)	(302)	(63)
Total	6,583	5,977	7,354	6,561	\$ 554	\$ 485	\$ 456	\$ 348	\$ 201	\$ 171	\$ (120)	\$ (74)

⁽¹⁾ Actual generation includes 98 GWh (2019: 66 GWh) from facilities that do not have a corresponding long-term average. See PART 9 – Presentation to Stakeholders' for why we do not consider long-term average for certain of our facilities.

For the three months ended December 31, 2020, Funds From Operations were \$201 million versus \$171 million in the prior year. Funds From Operations increased \$30 million primarily due to contributions from growth, predominately from the merger of TerraForm Power, strong asset availability, and higher margins due to cost reduction initiatives.

RECONCILIATION OF NON-IFRS MEASURES

The following table reflects Adjusted EBITDA and Funds From Operations and provides reconciliation to net income (loss) for the three months ended December 31, 2020:

	Attributable to Unitholders											Contribution from equity-accounted investments	Attributable to non-controlling interests	As per IFRS financials ⁽¹⁾
	Hydroelectric			Wind					Energy transition	Corporate	Total			
(MILLIONS)	North America	Brazil	Colombia	North America	Europe	Brazil	Asia	Solar						
Revenues	\$ 182	\$ 39	\$ 57	\$ 90	\$ 41	\$ 6	\$ 8	\$ 77	\$ 54	\$ —	\$ 554	\$ (18)	\$ 416	\$ 952
Other income	13	38	2	4	21	1	(1)	32	5	13	128	(27)	(24)	77
Direct operating costs	(91)	(14)	(21)	(36)	(11)	(1)	1	(25)	(20)	(8)	(226)	9	(140)	(357)
Share of Adjusted EBITDA from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	36	9	45
Adjusted EBITDA	104	63	38	58	51	6	8	84	39	5	456	—	261	
Management service costs	—	—	—	—	—	—	—	—	—	(85)	(85)	—	1	(84)
Interest expense	(40)	(2)	(8)	(19)	(4)	(2)	(2)	(31)	(10)	(20)	(138)	6	(111)	(243)
Current income taxes	3	(3)	(7)	—	(2)	—	(1)	(1)	(1)	—	(12)	2	(27)	(37)
Distributions attributable to Preferred limited partners equity	—	—	—	—	—	—	—	—	—	(14)	(14)	—	—	(14)
Preferred equity	—	—	—	—	—	—	—	—	—	(6)	(6)	—	—	(6)
Share of interest and cash taxes from equity accounted investments	—	—	—	—	—	—	—	—	—	—	—	(8)	(4)	(12)
Share of Funds From Operations attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	(120)	(120)
Funds From Operations	67	58	23	39	45	4	5	52	28	(120)	201	—	—	
Depreciation	(69)	(14)	(5)	(48)	(29)	(4)	(3)	(28)	(14)	(2)	(216)	1	(122)	(337)
Foreign exchange and financial instruments gain (loss)	(8)	(4)	(2)	15	(5)	(1)	(1)	5	(7)	6	(2)	1	116	115
Deferred income tax recovery (expense)	38	4	2	22	4	—	1	16	8	50	145	(4)	44	185
Other	(24)	14	3	8	(2)	3	(3)	(11)	—	(236)	(248)	9	(68)	(307)
Share of earnings from equity accounted investments	—	—	—	—	—	—	—	—	—	—	—	(7)	5	(2)
Net income attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	25	25
Net income (loss) attributable to Unitholders ⁽²⁾	\$ 4	\$ 58	\$ 21	\$ 36	\$ 13	\$ 2	\$ (1)	\$ 34	\$ 15	\$ (302)	\$ (120)	\$ —	\$ —	\$ (120)

⁽¹⁾ Share of earnings from equity-accounted investments of \$31 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 \$95 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, LP units and BEPC exchangeable shares. 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 and Funds From Operations and provides reconciliation to net income (loss) for the three months ended December 31, 2019:

	Attributable to Unitholders											Contribution from equity-accounted investments	Attributable to non-controlling interests	As per IFRS financials ⁽¹⁾
	Hydroelectric			Wind				Solar	Energy transition	Corporate	Total			
(MILLIONS)	North America	Brazil	Colombia	North America	Europe	Brazil	Asia							
Revenues	\$ 205	\$ 61	\$ 63	\$ 56	\$ 24	\$ 10	\$ 7	\$ 26	\$ 33	\$ —	\$ 485	\$ (19)	\$ 499	\$ 965
Other income	1	(1)	—	—	1	—	—	11	2	25	39	(8)	(3)	28
Direct operating costs	(76)	(23)	(26)	(13)	(8)	(2)	(1)	(8)	(13)	(6)	(176)	8	(158)	(326)
Share of Adjusted EBITDA from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	19	10	29
Adjusted EBITDA	130	37	37	43	17	8	6	29	22	19	348	—	348	
Management service costs	—	—	—	—	—	—	—	—	—	(38)	(38)	—	(6)	(44)
Interest expense	(37)	(4)	(9)	(15)	(5)	(3)	(3)	(13)	(5)	(22)	(116)	3	(142)	(255)
Current income taxes	—	(2)	(2)	3	(2)	—	(1)	—	(1)	—	(5)	2	(17)	(20)
Distributions attributable to Preferred limited partners equity	—	—	—	—	—	—	—	—	—	(11)	(11)	—	—	(11)
Preferred equity	—	—	—	—	—	—	—	—	—	(7)	(7)	—	—	(7)
Share of interest and cash taxes from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	(5)	(3)	(8)
Share of Funds From Operations attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	(180)	(180)
Funds From Operations	93	31	26	31	10	5	2	16	16	(59)	171	—	—	
Depreciation	(59)	(18)	(6)	(32)	(13)	(5)	(3)	(22)	(6)	(2)	(166)	3	(184)	(347)
Foreign exchange and financial instruments gain (loss)	11	(6)	(3)	(2)	9	(3)	1	2	(2)	7	14	(3)	28	39
Deferred income tax recovery (expense)	(12)	1	1	(1)	8	—	2	—	—	24	23	—	8	31
Other	(30)	(4)	(2)	(24)	(7)	1	2	(19)	—	(33)	(116)	9	(62)	(169)
Share of earnings from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	(9)	(4)	(13)
Net income attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	214	214
Net income (loss) attributable to Unitholders ⁽²⁾	\$ 3	\$ 4	\$ 16	\$ (28)	\$ 7	\$ (2)	\$ 4	\$ (23)	\$ 8	\$ (63)	\$ (74)	\$ —	\$ —	\$ (74)

⁽¹⁾ Share of earnings from equity-accounted investments of \$8 million is comprised of amounts found on the share of Adjusted EBITDA, share of interest and cash taxes and share of earnings lines. Net loss 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 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 reconciles the non-IFRS financial metrics to the most directly comparable IFRS measures. Net income attributable to Unitholders is reconciled to Funds From Operations, Proportionate Adjusted EBITDA, and Consolidated Adjusted EBITDA for the three months ended December 31:

(MILLIONS)	2020	2019
Net income (loss) attributable to:		
Limited partners' equity	\$ (61)	\$ (51)
General partnership interest in a holding subsidiary held by Brookfield	16	14
Participating non-controlling interests – in a holding subsidiary – Redeemable/ Exchangeable units held by Brookfield	(44)	(37)
Class A shares of Brookfield Renewable Corporation	(31)	—
Net income (loss) attributable to Unitholders	\$ (120)	\$ (74)
Adjusted for proportionate share of:		
Depreciation	216	166
Foreign exchange and financial instruments loss (gain)	2	(14)
Deferred income tax recovery	(145)	(23)
Other	248	116
Funds From Operations	\$ 201	\$ 171
Distributions attributable to:		
Preferred limited partners' equity	14	11
Preferred equity	6	7
Current income taxes	12	5
Interest expense	138	116
Management service costs	85	38
Proportionate Adjusted EBITDA	\$ 456	\$ 348
Attributable to non-controlling interests	261	348
Consolidated Adjusted EBITDA	\$ 717	\$ 696

The following table reconciles the per Unit non-IFRS financial measures to the most directly comparable IFRS measures. Basic earnings per LP unit is reconciled to Funds From Operations per Unit, for the three months ended December 31:

	2020	2019
Basic loss per LP unit ⁽¹⁾⁽²⁾	\$ (0.22)	\$ (0.15)
Depreciation	0.33	0.28
Foreign exchange and financial instruments loss	—	(0.02)
Deferred income tax expense	(0.22)	(0.04)
Other	0.42	0.22
Funds From Operations per Unit ⁽¹⁾⁽³⁾	\$ 0.31	\$ 0.29

⁽¹⁾ Adjusted for the three-for-two Unit split effective December 11, 2020.

⁽²⁾ Average LP units outstanding for the three months ended December 31, 2020 were 274.8 million (2019: 268.4 million).

⁽³⁾ Average Units for the three months ended December 31, 2020 were 645.5 million (2019: 583.6 million), being inclusive of LP units, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and GP interest.

PART 7 – BUSINESS RISKS AND RISK MANAGEMENT

RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Management's objectives are to protect Brookfield Renewable against material economic exposures and variability of results from various financial risks that include electricity price risk, foreign currency risk, interest rate risk, credit risk, and liquidity risk. These risks are further discussed in Note 6 – Risk management and financial instruments in the audited annual consolidated financial statements.

The following table outlines Brookfield Renewable's financial risks and how they are managed:

Financial Risk	Description of Risk	Management of Risk
Electricity price	We have exposure to movements in the market price of electricity.	- Enter into long-term contracts that specify the price at which electricity is sold - Maintain a portfolio of short, medium, and long-term financial contracts to mitigate our exposure to short-term fluctuations in electricity prices - Ensure limits and controls are in place for trading activities - As of December 31, 2020, we had, on a proportionate basis, approximately 84% of 2021 generation (2019: 95% of 2020 generation) contracted under short-term and long-term power purchase agreements and financial contracts, excluding Brazil and Colombia. See "Part 4 – Financial Performance Review on Proportionate Information"
Foreign currency	We are exposed to foreign currency risk – including Canadian dollar, Brazilian real, Euro, British pound sterling, Colombian peso, Indian rupee, Chinese yuan and Malaysia Ringgit – related to operations, anticipated transactions, and certain foreign currency debt.	- Enter into foreign currency contracts designed to minimize the exposure to foreign currency fluctuations - 40% of cash flow is generated in the United States while Canadian Dollar and Euro exposure, representing 30% of our portfolio, is proactively managed through foreign currency contracts - Limited foreign currency contracts to hedge our exposure to currencies in South America and Asia – representing 30% of our portfolio – due to the high costs associated with hedging certain currencies. However, these specific exposures are mitigated by the annual inflation-linked escalations in our power purchase agreements

Financial Risk	Description of Risk	Management of Risk
Interest rate	We are exposed to interest rate risk on the interest rates of our variable-rate debt, and on dividend and distribution rate resets on our Class A Preference Shares and Preferred Units, respectively.	- Assets largely consist of long duration physical assets, and financial liabilities consist primarily of long-term fixed-rate debt or floating-rate debt that has been swapped to fixed rates with interest rate financial instruments to minimize the exposure to interest rate fluctuations - Enter into interest rate contracts to lock-in fixed rates on certain anticipated future debt issuances - Our proportionate floating rate exposure represents 9% of our total debt, after affecting for variable-rate debt that has been hedged through the use of interest rate swaps. Our floating rate exposure arises primarily from our South American operations, as we have limited opportunities to raise fixed-rate debt or hedge due to the high associated costs
Credit	We are exposed to credit risk from operating activities and certain financing activities, the maximum exposure of which is represented by the carrying amounts reported in the statements of financial position. We are exposed to credit risk if counterparties to our energy contracts, interest rate swaps, forward foreign exchange contracts and physical electricity and gas transactions as well as trade receivables are unable to meet their obligations.	- Diverse counterparty base with long-standing credit histories - Exposure to counterparties with investment-grade credit ratings - Use of standard trading contracts and other standard credit risk mitigation techniques - As at December 31, 2020, 84% (2019: 72%) of Brookfield Renewable's trade receivables were current

Financial Risk	Description of Risk	Management of Risk
Liquidity	We are exposed to liquidity risk for financial liabilities. We are also subject to internal liquidity risk because we conduct our business activities through separate legal entities (subsidiaries and affiliates) and are dependent on receipts of cash from those entities to defray corporate expenses and to make dividend and distribution payments to shareholders and Unitholders, respectively. Under the credit agreements for subsidiary debt, it is conventional for distributions of cash to Brookfield Renewable to be prohibited if the loan is in default (notably for non-payment of principal or interest) or if the entity fails to achieve a benchmark debt-service coverage ratio. Refer to Note 20 – Capital management of the annual consolidated financial statement for further disclosures.	- As at December 31, 2020, available liquidity was \$3.3 billion. Liquidity is comprised of our share of cash and cash equivalents, investments in marketable securities, the available portion of the corporate credit facilities, and our share of subsidiary credit facilities. Details of the available liquidity and debt maturity ladder are included in “PART 5 – Liquidity and Capital Resources” - Effective and regular monitoring of debt covenants and cooperation with lenders to cure any defaults - Target investment grade debt or debt with investment grade characteristics with the ability to absorb volatility in cash flows - Long-term duration of debt instruments and the diversification in maturity dates over an extended period of time - Sufficient cash from operating activities, access to undrawn credit facilities, and possible capital markets financing to fund our operations and fulfill our obligations as they become due - Ensure access to public capital markets and maintain a strong investment grade credit rating

RISK FACTORS

The following represents the most relevant risk factors relating to Brookfield Renewable's business, and is not all-inclusive. For a description of other possible risks please see the Form 20-F which can be accessed on EDGAR and SEDAR.

Risks Relating to Our Operations and the Renewable Power Industry

Changes to hydrology at our hydroelectric facilities, wind conditions at our wind energy facilities, irradiance at our solar facilities or weather conditions generally, as a result of climate change or otherwise, at any of our facilities could adversely affect the volume of electricity generated.

The revenues generated by our facilities are correlated to the amount of electricity generated, which in turn is dependent upon available water flows and upon wind, irradiance and weather conditions generally. Hydrology, wind, irradiance and weather conditions have natural variations from season to season and from year to year and may also change permanently because of climate change or other factors.

If one or more of our generation facilities were to be subject in the future to flooding, extreme weather conditions (including severe wind storms and droughts), fires, natural disasters, or if unexpected geological or other adverse physical conditions were to develop at any of our generation facilities, the generation capacity of that facility could be significantly reduced or eliminated. For example, our hydroelectric facilities depend on the availability of water flows within the watersheds in which we operate and could be materially impacted by changes to hydrology patterns, such as droughts. In the event of severe flooding, our hydrology facilities may be damaged. Wind energy and solar energy are highly dependent on weather conditions and, in particular, on wind conditions and irradiance, respectively. The profitability of a wind farm depends not only on observed wind conditions at the site, which are inherently variable, but also on whether observed wind conditions are consistent with assumptions made during the project development phase or when a given project was acquired. Similarly, projections of solar resources depend on assumptions about weather patterns, shading and irradiance, which are inherently uncertain and may not be consistent with actual conditions at the site. A sustained decline in water flow at our hydroelectric facilities or in wind conditions at our wind energy facilities or of irradiance at our solar facilities could lead to an adverse change in the volume of electricity generated, revenues and cash flow.

Climate change may increase the frequency and severity of severe weather conditions and may change existing weather patterns in ways that are difficult to anticipate, which could result in more frequent and severe disruptions to our generation facilities and the power markets in which we operate. In addition, customers' energy needs generally vary with weather conditions, primarily temperature and humidity. To the extent weather conditions are affected by climate change, customers' energy use could increase or decrease depending on the duration and magnitude of changing weather conditions, which could adversely affect our business, results of operations and cash flows.

Supply and demand in the energy market is volatile and such volatility could have an adverse impact on electricity prices and an adverse effect on Brookfield Renewable's assets, liabilities, business, financial condition, results of operations and cash flow.

A portion of our revenues are tied, either directly or indirectly, to the wholesale market price for electricity in the markets in which we operate. Wholesale market electricity prices are impacted by a number of factors including: the price of fuel (for example, natural gas) that is used to generate electricity; the management of generation and the amount of excess generating capacity relative to load in a particular market; the cost of controlling emissions of pollution, including the cost of emitting carbon dioxide; the structure of the electricity market; and weather conditions (such as extremely hot or cold weather) that impact electrical load.

In the long term, there is uncertainty surrounding the trend in electricity demand growth, which is influenced by: macroeconomic conditions; absolute and relative energy prices; and energy conservation and demand-side management. Correspondingly, from a supply perspective, there are uncertainties associated with the timing of generating plant retirements – in part driven by environmental regulations – and with the scale, pace and structure of replacement capacity, again reflecting a complex interaction of economic and political pressures and environmental preferences. This volatility and uncertainty in the power market generally, including the non-renewable power market, could have an adverse effect on Brookfield Renewable's assets, liabilities, business, financial condition, results of operations and cash flow.

As our contracts expire, we may not be able to replace them with agreements on similar terms.

Certain PPAs in our portfolio will be subject to re-contracting in the future. If the price of electricity in power markets is declining at the time of such re-contracting, it may impact our ability to re-negotiate or replace these contracts on terms that are acceptable to us, or at all. In addition, a concentrated pool of potential buyers for electricity generated by our renewable energy facilities in certain jurisdictions may restrict our ability to negotiate favorable terms under new PPAs or existing PPAs that are subject to re-contracting. We cannot provide any assurance that we will be able to re-negotiate or replace these contracts once they expire, and even if we are able to do so, we cannot provide any assurance that we will be able to obtain the same prices or terms we currently receive. If we are unable to re-negotiate or replace these contracts, or unable to secure prices at least equal to the current prices we receive, our business, financial condition, results of operation and prospects could be adversely affected.

Advances in technology could impair or eliminate the competitive advantage of our projects.

Technology related to the production of renewable power and conventional power generation are continually advancing, resulting in a gradual decline in the cost of producing electricity. If advances in technology further reduce the cost of producing power, the competitive advantage of our existing projects may be significantly impaired or eliminated and our assets, liabilities, business, financial condition, results of operations and cash flow could be adversely affected as a result.

The amount of uncontracted generation in our portfolio may increase.

As at December 31, 2020, approximately 84% of our generation (on a proportionate basis) was contracted over the following five years under long-term, fixed price contracts with creditworthy counterparties. In 2019 and 2020, approximately 90% of our generation (on a proportionate basis) was contracted in each of those calendar years. The portion of our portfolio that is uncontracted may increase gradually over time. We may sell electricity from our uncontracted generation into the spot-market or other competitive power markets from time to time. With respect to such transactions, we are not guaranteed any rate of return on our capital investments through mandated rates, and revenues and results of operations are likely to depend, in large part, upon prevailing market prices. These market prices may fluctuate substantially over relatively short periods of time and could, in certain circumstances, have an adverse effect on our business, financial condition, results of operations and cash flows.

The occurrence of dam failures could result in a loss of generating capacity and damage to the environment, third parties or the public, which could require us to expend significant amounts of capital and other resources and expose us to significant liability.

The occurrence of dam failures at any of our hydroelectric generating stations or the occurrence of dam failures at other generating stations or dams operated by third parties whether upstream or downstream of our hydroelectric generating stations could result in a loss of generating capacity until the failure has been repaired. If the failure is at one of our facilities, repairing such failure could require us to expend significant amounts of capital and other resources. As noted above, such failures could also result in damage to the environment or damages and harm to third parties or the public, which could expose us to significant liability. A dam failure at a generating station or dam operated by a third party could result in new and potentially onerous regulations that could impact Brookfield Renewable's facilities. Any such new regulations could require material capital expenditures to maintain compliance and our financial position could be adversely affected.

We may be exposed to force majeure events.

The occurrence of a significant event that disrupts the ability of our generation assets to produce or sell power for an extended period, including events which preclude customers from purchasing electricity, could have an adverse effect on our assets, liabilities, business, financial condition, results of operations and cash flow. In addition, force majeure events affecting our assets could result in damage to the environment or harm to third parties or the public, which could expose us to significant liability. Our generation assets could be exposed to severe weather conditions, natural disasters, epidemics and potentially catastrophic events. An assault or an act of malicious destruction, cyber-attacks, sabotage or terrorism committed on our generation assets could also disrupt our ability to generate or sell power. In certain cases, there is the potential that some events may not excuse Brookfield Renewable from performing its obligations pursuant to agreements with third parties and therefore may expose Brookfield Renewable to liability. In addition, certain of our generation assets are located in remote areas which may make

access for repair of damage difficult.

Developments associated with the COVID-19 pandemic could have an adverse effect on our business.

The rapid spread of the COVID-19 virus, which was declared by the World Health Organization to be a pandemic on March 11, 2020, and actions taken globally in response to COVID-19, have significantly disrupted international business activities. The COVID-19 pandemic has resulted in governments around the world implementing stringent measures to help control the spread of the virus, including quarantines, social distancing protocols, “shelter in place” and “stay at home” orders, travel restrictions, business curtailments, school closures and other measures. Governments and central banks around the world have enacted fiscal and monetary stimulus measures to counteract the effects of the COVID-19 pandemic and various other response measures, however, the overall magnitude and long-term effectiveness of these actions remain uncertain. In addition, our business relies, to a certain extent, on free movement of goods, services, and capital from around the world, which has been significantly restricted as a result of COVID-19. We have implemented a response plan to maintain our operations despite the outbreak of the virus, including extra safety precautions with respect to our personnel and contingency plans with respect to our facilities. However, we may experience direct or indirect impacts from the pandemic, including delays in development or construction activities in our business and have some risk that our contract counterparties could fail to meet their obligations.

To date, we have not experienced the material impact to our operations, financial condition, cash flows or financial performance that has been experienced by many other businesses. Given the ongoing and dynamic nature of the circumstances surrounding COVID-19, it is difficult to predict how significant the impact of COVID-19, including any responses to it, will be on the global economy and our business or for how long any disruptions are likely to continue. The extent of such impact will depend on future developments, which are highly uncertain, rapidly evolving and difficult to predict, including, but not limited to, new information which may emerge concerning the severity of COVID-19, additional actions which may be taken to contain COVID-19 or treat its impact, such as re-imposing previously lifted measures or putting in place additional restrictions, and the pace, availability, distribution and acceptance of effective vaccines. Such developments could have an adverse effect on our assets, liabilities, business, financial condition, results of operations and cash flow.

We are subject to foreign currency risk which may adversely affect the performance of our operations and our ability to manage such risk depends, in part, on our ability to implement an effective hedging strategy.

A significant portion of our current operations are in countries where the U.S. dollar is not the functional currency. These operations pay distributions in currencies other than the U.S. dollar, which we must convert to U.S. dollars prior to making such distributions. A significant depreciation in the value of such foreign currencies, measures introduced by foreign governments to control inflation or deflation, currency exchange or export controls may have an adverse effect on our business, financial condition, results of operations and cash flows. When managing our exposure to currency risks, we use foreign currency forward contracts and other strategies to mitigate currency risk and there can be no assurances that these strategies will be successful.

Energy marketing risks may have an adverse effect on our business.

Our energy marketing business involves the establishment of trading positions in the wholesale and retail energy markets. To the extent that we enter into forward purchase contracts or take long positions in the energy markets, a downturn in market prices could result in losses from a decline in the value of such long positions. Conversely, to the extent that we enter into forward sales contracts or take short positions in the energy markets, an upturn in market prices could expose us to losses as we attempt to cover any short positions by acquiring energy in a rising market.

Our trading positions can be impacted by volatility in the energy markets that, in turn, depend on various factors, including weather in various geographical areas and short-term supply and demand imbalances, which cannot be predicted with any certainty. A shift in the energy markets could adversely affect our positions which could also have an adverse effect on our business.

Although we employ a number of risk management controls in order to limit exposure to risks arising from trading activities, we cannot guarantee that losses will not occur and such losses may be outside the parameters of our risk controls.

There are general industry risks associated with the power markets in which we operate.

We currently operate in power markets in North America, Brazil, Colombia, Europe and Asia, each of which is affected by competition, price, supply of and demand for power, the location of import/export transmission lines and overall political, economic and social conditions and policies. Our operations are also largely concentrated in a relatively small number of countries, and accordingly are exposed to country-specific risks (such as weather conditions, local economic conditions or political/regulatory environments) that could disproportionately affect us. A general and extended decline in the North American, South American, European or Asian economies, or in the economies of the specific countries in which we operate, or sustained conservation efforts to reduce electricity consumption, could have the effect of reducing demand for electricity and could thereby have an adverse effect on our business, financial condition, results of operations and cash flows.

Our operations are exposed to health, safety, security and environmental risks.

The ownership, construction and operation of our generation assets carry an inherent risk of liability related to health, safety, security and the environment, including the risk of government imposed orders to remedy unsafe conditions and/or to remediate or otherwise address environmental contamination or damage. We could also be exposed to potential penalties for contravention of health, safety, security and environmental laws and potential civil liability. In the ordinary course of business we incur capital and operating expenditures to comply with health, safety, security and environmental laws, to obtain and comply with licenses, permits and other approvals and to assess and manage related risks. The cost of compliance with these laws (and any future laws or amendments enacted) may increase over time and result in additional material expenditures. We may become subject to government orders, investigations, inquiries or other proceedings (including civil claims) relating to health, safety, security and environmental matters as a result of which our operations may be limited or suspended. The occurrence of any of these events or any changes, additions to or more rigorous enforcement of health, safety, security and environmental laws could have an adverse impact on operations and result in additional material expenditures. Additional environmental, health and safety issues relating to presently known or unknown matters may require unanticipated expenditures, or result in fines, penalties or other consequences (including changes to operations) that may be adverse to our business and results of operations.

Counterparties to our contracts may not fulfill their obligations.

If, for any reason, any of the purchasers of power under our PPAs, including Brookfield, are unable or unwilling to fulfill their contractual obligations under the relevant PPA or if they refuse to accept delivery of power pursuant to the relevant PPA, our assets, liabilities, business, financial condition, results of operations and cash flow could be adversely affected as we may not be able to replace the agreement with an agreement on equivalent terms and conditions. External events, such as a severe economic downturn, could impair the ability of some counterparties to the PPAs or some customers to pay for electricity received. In addition, inadequate performance by counterparties to operation and maintenance contracts related to certain of our assets or investments may increase the risk of operational or mechanical failures of such facilities.

We rely on computerized business systems, which could expose us to cyber-attacks.

Our business relies on information technology. In addition, our business relies upon telecommunication services to remotely monitor and control our assets and interface with regulatory agencies, wholesale power markets and customers. The information and embedded systems of key business partners, including suppliers of the information technology systems on which we rely, and regulatory agencies are also important to our operations. In light of this, we may be subject to cyber security risks or other breaches of information technology security intended to obtain unauthorized access to our proprietary information and that of our business partners, destroy data or disable, degrade, or sabotage these systems through the introduction of computer viruses, fraudulent emails, cyber attacks and other means, and such breaches could originate from a variety of sources including our own employees or unknown third parties. There can be no assurance that measures implemented to protect the integrity of these systems will provide adequate protection, and any such breach of our information technology could go undetected for an extended period of time. A breach of our cyber security measures or the failure or malfunction of any of our computerized business systems, associated backup or data storage systems could cause us to suffer a disruption in one or more parts of our business and experience, among other things, financial loss, a loss of business opportunities, misappropriation or unauthorized release of confidential or personal information, damage to our

systems and those with whom we do business, violation of privacy and other laws, litigation, regulatory penalties and remediation and restoration costs as well as increased costs to maintain our systems. For example, the European General Data Protection Regulation, which came into effect in May 2018, includes stringent operational requirements for entities processing personal information and significant penalties for non-compliance. Cybersecurity breaches or failures of our information technology systems could have an adverse effect on our business operations, financial reporting, financial condition and results of operations, and result in reputational damage.

Risks Relating to Financing

Our ability to finance our operations is subject to various risks relating to the state of capital markets.

We expect to finance future acquisitions, the development and construction of new facilities and other capital expenditures out of cash generated from our operations, capital recycling, debt and possible future issuances of equity. There is debt throughout our corporate structure that will need to be replaced from time to time: BEP, BRELP and the Holding Entities have corporate debt and many Operating Entities have limited recourse project level debt (which is non-recourse to BEP). Our ability to obtain debt or equity financing to fund our growth, and our ability to refinance existing indebtedness, is dependent on, among other factors, the overall state of capital markets (as well as local market conditions, particularly in the case of non-recourse financings), continued operating performance of our assets, future electricity market prices, the level of future interest rates, lenders' and investors' assessment of our credit risk, capital markets conditions and investor appetite for investments in renewable energy and infrastructure assets in general and in Brookfield Renewable's securities in particular. Also, Brookfield Renewable's financing agreements contain conditions that limit our ability to repay indebtedness prior to maturity without incurring penalties, which may limit our ability to raise capital and financing on favorable terms. To the extent that external sources of capital become limited or unavailable or available on onerous terms, our ability to fund acquisitions and make necessary capital investments to construct new or maintain existing facilities will be impaired, and as a result, our business, financial condition, results of operations and prospects may be adversely affected.

We are subject to operating and financial restrictions through covenants in our loan, debt and security agreements.

Brookfield Renewable is subject to operating and financial restrictions through covenants in our loan, debt and security agreements. These restrictions prohibit or limit our ability to, among other things, incur additional debt, provide guarantees for indebtedness, grant liens, dispose of assets, liquidate, dissolve, amalgamate, consolidate or effect corporate or capital reorganizations, declare distributions, issue equity interests, and create subsidiaries. A financial covenant in our corporate bonds and in our corporate bank credit facilities limits our overall indebtedness to a percentage of total capitalization, a restriction which may limit our ability to obtain additional financing, withstand downturns in our business and take advantage of business and development opportunities. If we breach our covenants, our credit facilities may be terminated or come due and such event may cause our credit rating to deteriorate and subject Brookfield Renewable to higher interest and financing costs. From time to time, we also acquire businesses and assets that have debt obligations that are in default. We may also be required to seek additional debt financing on terms that include more restrictive covenants, require repayment on an accelerated schedule or impose other obligations that limit our ability to grow our business, acquire needed assets or take other actions that we might otherwise consider appropriate or desirable.

Changes in our credit ratings may have an adverse effect on our financial position and ability to raise capital.

We cannot assure you that any credit rating assigned to Brookfield Renewable or any of our operating subsidiaries or their debt securities will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency. A lowering or withdrawal of such ratings may have an adverse effect on our financial position and ability to raise capital.

Risks Relating to Our Growth Strategy

We may be unable to identify sufficient investment opportunities and complete transactions, as planned.

Our strategy for building value for our Unitholders is to seek to acquire or develop high-quality assets and businesses that generate sustainable and increasing cash flows, with the objective of achieving appropriate risk-adjusted returns on our invested capital over the long-term. However, there is no certainty that we will be able to find sufficient investment opportunities and complete transactions that meet our investment criteria. Our investment criteria consider, among other things, the financial, operating, governance and strategic merits of a proposed acquisition including whether we expect it will meet our targeted return hurdle and, as such, there is no certainty that we will be able to continue growing our business by making acquisitions or developing assets at attractive returns. Competition for assets is significant and competition from other well-capitalized investors or companies may significantly increase the purchase price or prevent us from completing an acquisition. We may also decline opportunities that we do not believe meet our investment criteria, which our competition may pursue instead. Further, our growth initiatives may be subject to a number of closing conditions, including, as applicable, third party consents, regulatory approvals (including from competition authorities) and other third-party approvals or actions that are beyond our control. If all or some of our growth initiatives are unable to be completed on the terms agreed, we may need to delay certain acquisitions or abandon them altogether. If returns are lower than anticipated from such initiatives, we also may not be able to achieve growth in our distributions in line with our stated goals and the market value of our Units may decline.

The completion of new acquisitions can have the effect of significantly increasing the scale and scope of our operations, including operations in new geographic areas and industry sectors, and the Service Providers may have difficulty managing these additional operations. In addition, acquisitions involve risks to our business.

A key part of our strategy will involve seeking acquisition opportunities upon Brookfield's recommendation and allocation of opportunities to us. Acquisitions may increase the scale, scope and diversity of our operating businesses. We depend on the diligence and skill of Brookfield's and our professionals to effectively manage Brookfield Renewable, integrating acquired businesses with our existing operations. These individuals may have difficulty managing additional acquired businesses and may have other responsibilities within Brookfield's asset management business. If any such acquired businesses are not effectively integrated and managed, our existing business, financial condition and results of operations may be adversely affected.

Future acquisitions will likely involve some or all of the following risks, which could materially and adversely affect our business, financial condition or results of operations: the difficulty of integrating the acquired operations and personnel into our current operations; potential disruption of our current operations; diversion of resources, including Brookfield's time and attention; the difficulty of managing the growth of a larger organization; the risk of entering markets in which we have little experience; the risk of becoming involved in labor, commercial or regulatory disputes or litigation related to the new enterprise (see Item 4.B "Business Overview — Governmental, Legal and Arbitration Proceedings — Claim Relating to TerraForm Power's First Wind Acquisition"); risk of environmental or other liabilities associated with the acquired business; and the risk of a change of control resulting from an acquisition triggering rights of third parties or government agencies under contracts with, or authorizations held by the operating business being acquired. While it is our practice to conduct extensive due diligence investigations into businesses being acquired, it is possible that due diligence may fail to uncover all material risks in the business being acquired, or to identify a change of control trigger in a material contract or authorization, or that a contractual counterparty or government agency may take a different view on the interpretation of such a provision to that taken by Brookfield Renewable, thereby resulting in a dispute. The discovery of any material liabilities subsequent to an acquisition, as well as the failure of an acquisition to perform according to expectations, could have an adverse effect on our business, financial condition and results of operations. In addition, if returns are lower than anticipated from new acquisitions, we may not be able to achieve growth in our distributions in line with our stated goals and the market value of our securities may decline.

There are several factors which may affect our ability to develop existing sites, repower existing projects and find new sites suitable for the development of power projects.

Our ability to realize our development growth plans is dependent on our ability to develop existing sites, to repower existing projects that are nearing the end of their useful lives, and to find new sites suitable for development into viable projects. Our ability to maintain a development permit often requires specific development steps to be undertaken. Successful development of renewable power projects is typically dependent on a number of factors, including: the ability to secure or renew our rights to an attractive site on reasonable terms, often following lengthy negotiations and/or competitive bidding processes; accurately measuring resource availability at levels deemed economically attractive for continued project development; the ability to secure new or renewed approvals, licenses and permits; the acceptance of local stakeholders, including in some cases, Indigenous peoples; the ability to secure transmission interconnection access or agreements; the ability to successfully integrate new projects or technologies into existing assets; the ability to acquire suitable labour, equipment and construction services on acceptable terms; the ability to attract construction project financing; and the ability to secure a long-term PPA or other sales contract on reasonable terms. Each of these factors can be critical in determining whether or not a particular development project might ultimately be suitable for construction. Failure to achieve any one of these elements may prevent the development and construction of a project. When this occurs we may lose all of our investment in development expenditures and may be required to write-off project development assets.

Development projects may also require large areas of land on which the new projects are to be constructed and operated. Rights to use land can be obtained through freehold title, leases and other rights of use. Land title systems vary by jurisdiction and in some cases it may not be possible to ascertain definitively who has the legal right to enter into land tenure arrangements with the asset owner or to secure the consent of all land owners. A government, court, regulator, Indigenous group, landowner or other stakeholder may make a decision or take action that adversely affects the development of a project or the demand for its services. For example, a regulator may restrict our access to an asset, or may require us to provide third parties with access. The restriction or curtailment of our rights with respect to an asset by a regulator or otherwise may negatively impact the success of our projects.

Our ability to develop power projects is subject to construction risks and risks associated with the arrangements we enter into with communities and joint venture partners.

Our ability to develop an economically successful project, whether as a greenfield project or by way of a repowering of an existing project, is dependent on, among other things, our ability to construct a particular project on-time and on-budget. The construction and development of generating facilities is subject to environmental, engineering and construction risks that could result in cost-overruns, delays and reduced performance. A number of factors that could cause such delays, cost over-runs or reduced performance include, but are not limited to, changes in local laws or difficulties in obtaining permits, rights of way or approvals, changing engineering and design requirements, construction costs exceeding estimates for various reasons, including inaccurate engineering and planning, failures to properly estimate the cost of raw materials, components, equipment, labor or the inability to timely obtain them, unanticipated problems with project start-up, the performance of contractors, the insolvency of the head contractor, a major subcontractor and/or a key equipment supplier, labor disruptions, inclement weather, defects in design, engineering or construction (including, without limitation, latent defects that do not materialize during an applicable warranty or limitation period) and project modifications. A delay in the projected completion of a project can result in a material increase in total project construction costs through higher capitalized interest charges, additional labor and other expenses, and a resultant delay in the commencement of cash flow. In addition, such unexpected issues may result in increased debt service costs, operations and maintenance expenses and damage payments for late delivery or the failure to meet agreed upon generation levels. This may result in an inability of the project to meet the higher interest and principal repayments arising from the additional debt required. Protracted delays could also result in a given project being in default of other terms of any applicable construction financing arrangements.

In addition, we enter into various types of arrangements with communities and joint venture partners, including in some cases, Indigenous peoples, for the development of projects. In some circumstances, we may be required to notify, consult, or obtain the consent of certain stakeholders, such as Indigenous peoples, landowners, and/or municipalities. In some jurisdictions where we have greenfield power projects, it may be possible to claim Indigenous rights to land and the existence or declaration of Indigenous title may affect the existing or future activities of our projects and impact their business, financial condition and results of operations. In Canada, for example, courts have recognized that Indigenous peoples possess constitutionally protected rights in respect of land used or occupied by their ancestors where treaties have not been concluded to deal with these rights. Certain of these communities and partners may have or may develop interests or objectives which are different from or even in conflict with our objectives. Any such differences could have a negative impact on the success of our projects.

A significant portion of our current operations and related assets are subject to foreign laws and regulations, and we may pursue acquisitions in new markets that are subject to foreign laws or regulations that are more onerous or uncertain than the laws and regulations we are currently subject to.

A significant portion of our current operations and related assets are in Brazil, Colombia, Europe and Asia, and we may pursue acquisitions in new foreign markets that are regulated by foreign governments and regulatory authorities and subject to foreign laws. Foreign laws or regulations may not provide for the same type of legal certainty and rights in connection with their contractual relationships in such countries as are afforded to projects in, for example, the United States, which may adversely affect their ability to receive revenues or enforce their rights in connection with their foreign operations. In addition, the laws and regulations of some countries may limit our ability to hold a majority interest in some of the projects that we may develop or acquire, thus limiting our ability to control the development, construction and operation of such projects. Any existing or new operations may be subject to significant political, economic and financial risks, which vary by country, and may include: (i) changes in government policies, including protectionist policies, or personnel; (ii) changes in general economic conditions; (iii) restrictions on currency transfer or convertibility; (iv) changes in labor relations; (v) political instability and civil unrest; (vi) regulatory or other changes in the local electricity market; (vii) less developed or efficient financial markets than in North America; (viii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements; (ix) less government supervision and regulation; (x) a less developed legal or regulatory environment; (xi) heightened exposure to corruption risk; (xii) political hostility to investments by foreign investors; (xiii) less publicly available information in respect of companies; (xiv) adversely higher or lower rates of inflation; (xv) higher transaction costs; (xvi) difficulty in enforcing contractual obligations, breach or repudiation of important contractual undertakings by governmental entities and expropriation and confiscation of assets and facilities for less than fair market value; and (xvii) fewer investor protections.

Other Risks Relating to Brookfield Renewable

We are not, and do not intend to become, regulated as an investment company under the Investment Company Act of 1940, or the Investment Company Act (and similar legislation in other jurisdictions) and, if we were deemed an “investment company” under the Investment Company Act, applicable restrictions could make it impractical for us to operate as contemplated.

The Investment Company Act (and similar legislation in other jurisdictions) provides certain protections to investors and imposes certain restrictions on companies that are required to be regulated as investment companies. Among other things, such rules limit or prohibit transactions with affiliates, impose limitations on the issuance of debt and equity securities and impose certain governance requirements. We have not been and do not intend to become regulated as an investment company and we intend to conduct our activities so we will not be deemed to be an investment company under the Investment Company Act (and similar legislation in other jurisdictions). In order to ensure that we are not deemed to be an investment company, we may be required to materially restrict or limit the scope of our operations or plans. We will be limited in the types of acquisitions that we may make, and we may need to modify our organizational structure or dispose of assets which we would not otherwise dispose of. Moreover, if anything were to happen which would cause us to be deemed an investment company under the Investment Company Act, it would be impractical for us to operate as contemplated. Agreements and arrangements between and among Brookfield Renewable and Brookfield would be impaired, the type and number of acquisitions that we would be able to make as a principal would be limited and our business, financial condition and results of operations would be adversely affected. Accordingly, we would be required to take extraordinary steps to address the situation, such

as the amendment or termination of the Master Services Agreement, the restructuring of Brookfield Renewable and our operating subsidiaries, the amendment of our governing documents or the dissolution of BEP, any of which could materially adversely affect the value of our LP units.

Risks Relating to Our Relationship with Brookfield

Brookfield exercises substantial influence over Brookfield Renewable and we are highly dependent on the Service Providers.

A subsidiary of Brookfield Asset Management is the sole shareholder of the Managing General Partner. As a result of its ownership of the Managing General Partner, Brookfield is able to control the appointment and removal of the Managing General Partner's directors and, accordingly, exercise substantial influence over Brookfield Renewable. In addition, BEP holds its interest in the Operating Entities indirectly through BRELP and will hold any future acquisitions indirectly through BRELP, the general partner of which is indirectly owned by Brookfield. As BEP's only substantial asset is the limited partnership interests that it holds in BRELP, except future rights under the Voting Agreement, BEP does not have a right to participate directly in the management or activities of BRELP or the Holding Entities, including with respect to the making of decisions (although it has the right to remove and replace the BRELP GP LP).

BEP and BRELP depend on the management and administration services provided by or under the direction of the Service Provider under our Master Services Agreement. Brookfield personnel and support staff that provide services to us under our Master Services Agreement are not required to have as their primary responsibility the management and administration of BEP or BRELP or to act exclusively for either of us and our Master Services Agreement does not require any specific individuals to be provided by Brookfield to BEP. Failing to effectively manage our current operations or to implement our strategy could have an adverse effect on our business, financial condition and results of operations. Our Master Services Agreement continues in perpetuity, until terminated in accordance with its terms.

The departure of some or all of Brookfield's professionals could prevent us from achieving our objectives.

We depend on the diligence, skill and business contacts of Brookfield's professionals and the information and opportunities they generate during the normal course of their activities. Our future success will depend on the continued service of these individuals, who are not obligated to remain employed with Brookfield. Brookfield has experienced departures of key professionals in the past and may do so in the future, and we cannot predict the impact that any such departures will have on our ability to achieve our objectives. The departure of a significant number of Brookfield's professionals for any reason, or the failure to appoint qualified or effective successors in the event of such departures, could have an adverse effect on our ability to achieve our objectives. The Amended and Restated Limited Partnership Agreement of BEP and our Master Services Agreement do not require Brookfield to maintain the employment of any of its professionals or to cause any particular professionals to provide services to us or on our behalf.

PART 8 – CRITICAL ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The audited annual consolidated financial statements are prepared in accordance with IFRS, 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 audited annual 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, the amount and timing of operating and capital costs and the income tax rates of future income tax provisions. Estimates also include determination of accruals, provisions, 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. 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.

CRITICAL ESTIMATES

Brookfield Renewable makes estimates and assumptions that affect the carrying value of assets and liabilities, disclosure of contingent assets and liabilities and the reported amount of income and other comprehensive income (“OCI”) for the year. Actual results could differ from these estimates. The estimates and assumptions that are critical to the determination of the amounts reported in the consolidated financial statements relate to the following:

(i) Property, plant and equipment

The fair value of Brookfield Renewable’s property, plant and equipment is calculated using estimates and assumptions about future electricity prices from renewable sources, anticipated long-term average generation, estimated operating and capital expenditures, future inflation rates and discount rates, as described in Note 13 – Property, plant and equipment, at fair value in our audited annual consolidated financial statements. Judgment is involved in determining the appropriate estimates and assumptions in the valuation of Brookfield Renewable’s property, plant and equipment. See Note 1(s)(iii) – Critical judgments in applying accounting policies – Property, plant and equipment in our audited annual consolidated financial statements for further details.

Estimates of useful lives and residual values are used in determining depreciation. To ensure the accuracy of useful lives and residual values, these estimates are reviewed on an annual basis.

(ii) Financial instruments

Brookfield Renewable makes estimates and assumptions that affect the carrying value of its financial instruments, including estimates and assumptions about future electricity prices, long-term average generation, capacity prices, discount rates, the timing of energy delivery and the elements affecting fair value of the tax equity financings. Non-financial instruments are valued using estimates of future electricity prices which are estimated by considering broker quotes for the years in which there is a liquid market and for the subsequent years Brookfield Renewable’s best estimate of electricity prices that would allow new entrants into the market. The fair value of interest rate swaps is the estimated amount that another party would receive or pay to terminate the swap agreements at the reporting date, taking into account current market interest rates. This valuation technique approximates the net

present value of future cash flows. See Note 6 – Risk management and financial instruments in our audited annual consolidated financial statements for more details.

(iii) Deferred income taxes

The consolidated financial statements include estimates and assumptions for determining the future tax rates applicable to subsidiaries and identifying the temporary differences that relate to each subsidiary. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply during the year when the assets are realized or the liabilities settled, using the tax rates and laws enacted or substantively enacted at the consolidated statements of financial position dates. Operating plans and forecasts are used to estimate when the temporary difference will reverse.

CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The following are the critical judgments that have been made in applying the accounting policies used in the consolidated financial statements and that have the most significant effect on the amounts in the consolidated financial statements:

(i) Preparation of consolidated financial statements

These consolidated financial statements present the financial position, results of operations and cash flows of Brookfield Renewable. Judgment is required in determining what assets, liabilities and transactions are recognized in the consolidated financial statements as pertaining to Brookfield Renewable's operations.

(ii) Common control transactions

Common control business combinations specifically fall outside the scope of IFRS 3, Business Combinations ("IFRS 3"), and as such management has used its judgment to determine an appropriate policy to account for these transactions. Consideration was given to other relevant accounting guidance within the framework of principles in IFRS and to reflect the economic reality of the transactions, in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8"). As a result, the consolidated financial statements account for assets and liabilities acquired at the previous carrying value on the predecessor's financial statements. Differences between the consideration given and the assets and liabilities received are recorded directly to equity.

(iii) Property, Plant and Equipment

The accounting policy relating to Brookfield Renewable's property, plant and equipment is described in Note 1(h) – Property, plant and equipment and revaluation method in our audited annual consolidated financial statements. In applying this policy, judgment is used in determining whether certain costs are additions to the carrying amount of the property, plant and equipment as opposed to repairs and maintenance that are expensed when incurred. If an asset has been developed, judgment is required to identify the point at which the asset is capable of being used as intended and to identify the directly attributable costs to be included in the carrying value of the development asset. The useful lives of property, plant and equipment are determined by independent engineers periodically with an annual review by management.

Annually, Brookfield Renewable determines the fair value of its property, plant and equipment using a methodology that it has judged to be reasonable. The methodology for hydroelectric assets is generally a twenty-year discounted cash flow model. Twenty years is the period considered reasonable as Brookfield Renewable has twenty-year capital plans and it believes a reasonable third party would be indifferent between extending the cash flows further in the model versus using a discounted terminal value. The methodology for wind, solar and storage & other assets is to align the model length with the expected remaining useful life of the subject assets.

The valuation model incorporates future cash flows from long-term power purchase agreements that are in place where it is determined that the power purchase agreements are linked specifically to the related power generating assets. With respect to estimated future generation that does not incorporate long-term power purchase agreement pricing, the cash flow model uses estimates of future electricity prices using broker quotes from independent sources for the years in which there is a liquid market. The valuation of generation not linked to long-term power purchase agreements also requires the development of a long-term estimate of future electricity prices. In this regard the valuation model uses a discount to the all-in cost of construction with a reasonable return, to secure energy from a new renewable resource with a similar generation profile to the asset being valued as the benchmark that will establish the market price for electricity for renewable resources.

Brookfield Renewable's long-term view is anchored to the cost of securing new energy from renewable sources to meet future demand growth by the years 2026 to 2035 in North America, 2028 in Colombia, 2023 in Europe and 2024 in Brazil. The year of new entry is viewed as the point when generators must build additional capacity to maintain system reliability and provide an adequate level of reserve generation with the retirement of older coal-fired plants and rising environmental compliance costs in North America and Europe, and overall increasing demand in Colombia and Brazil. For the North American and European businesses, Brookfield Renewable has estimated a discount to these new-build renewable asset prices to determine renewable electricity prices for hydroelectric, solar and wind facilities. In Brazil and Colombia, the estimate of future electricity prices is based on a similar approach as applied in North America using a forecast of the all-in cost of development.

Terminal values are included in the valuation of hydroelectric assets in North America and Colombia. For the hydroelectric assets in Brazil, cash flows have been included based on the duration of the authorization or useful life of a concession asset with consideration of a one-time thirty-year renewal on qualifying hydroelectric assets.

Discount rates are determined each year by considering the current interest rates, average market cost of capital as well as the price risk and the geographical location of the operational facilities as judged by management. Inflation rates are also determined by considering the current inflation rates and the expectations of future rates by economists. Operating costs are based on long-term budgets escalated for inflation. Each operational facility has a twenty-year capital plan that it follows to ensure the maximum life of its assets is achieved. Foreign exchange rates are forecasted by using the spot rates and the available forward rates, extrapolated beyond the period available. The inputs described above to the discounted cash flow model require management to consider facts, trends and plans in making its judgments as to what derives a reasonable fair value of its property, plant and equipment.

(iv) Financial instruments

The accounting policy relating to Brookfield Renewable's financial instruments is described in Note 1(l) – Financial instruments in our audited annual consolidated financial statements. In applying the policy, judgments are made in applying the criteria set out in IFRS 9 – Financial instruments (“IFRS 9”) to record financial instruments at fair value through profit and loss, and the assessments of the effectiveness of hedging relationships.

(v) Deferred income taxes

The accounting policy relating to Brookfield Renewable's income taxes is described in Note 1(n) – Income taxes in our audited annual consolidated financial statements. In applying this policy, judgments are made in determining the probability of whether deductions, tax credits and tax losses can be utilized.

NEW ACCOUNTING STANDARDS

There have been no new changes to IFRS with an impact on Brookfield Renewable in 2020.

FUTURE CHANGES IN ACCOUNTING POLICIES

Amendments to IFRS 9 and IFRS 7: Disclosures

Interbank offered rates (“IBOR”) reform refers to the global reform of interest reference rates, which includes the replacement of specified IBORs with alternative benchmark rates. It is currently expected that Secured Overnight Financing Rate (“SOFR”) will replace US\$ LIBOR, Sterling Overnight Index Average (“SONIA”) will replace £ LIBOR, and Euro Short-term Rate (“€STR”) will replace € EURIBOR. Brookfield Renewable adopted Interest Rate Benchmark Reform – Amendments to IFRS 9, and IFRS 7, issued by the IASB in September 2019 (“Phase I Amendments”), effective October 1, 2019 in advance of its mandatory effective date. The Phase I

Amendments provided clarity where uncertainty could arise in the lead-up to transition. The IBOR Phase I Amendments have been applied retrospectively to hedging relationships existing at the start of the reporting period or designated subsequently, and to the amount accumulated in the cash flow hedge reserve at that date.

The IBOR Phase I Amendments provide temporary relief from applying specific hedge accounting requirements to Brookfield Renewable's hedging relationships that are directly affected by IBOR reform, which primarily include US\$ LIBOR, £ LIBOR, and € EURIBOR. The relief provided has the effect that Brookfield Renewable should not have to discontinue hedging relationships solely due to the uncertainty arising from IBOR reform. In assessing whether a hedge is expected to be highly effective on a forward-looking basis, Brookfield Renewable assumes the interest rate benchmarks associated with Brookfield Renewable's hedges are generally not altered by IBOR reform. These reliefs cease to apply to a hedged item or hedging instrument, as applicable, at the earlier of (i) when the uncertainty arising from IBOR reform is no longer present with respect to the timing and amount of the interest rate benchmark based future cash flows, and (ii) when the hedging relationship is discontinued. The Phase I Amendments had no impact on Brookfield Renewable since these amendments enable Brookfield Renewable to continue hedge accounting for hedging relationships which have been previously designated.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Disclosures

On August 27, 2020, the IASB published Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (“Phase II Amendments”), effective January 1, 2021, with early adoption permitted. The Phase II Amendments provide additional guidance to address issues that will arise during the transition of benchmark interest rates. The Phase II Amendments primarily relate to the modification of financial assets, financial liabilities and lease liabilities where the basis for determining the contractual cash flows changes as a result of IBOR reform, allowing for prospective application of the applicable benchmark interest rate and to the application of hedge accounting, providing an exception such that changes in the formal designation and documentation of hedge accounting relationships that are needed to reflect the changes required by IBOR reform do not result in the discontinuation of hedge accounting or the designation of new hedging relationships.

Brookfield Renewable has completed an assessment and implemented its transition plan to address the impact and effect changes as a result of amendments to the contractual terms of IBOR referenced floating-rate borrowings, interest rate swaps, and updating hedge designations. The adoption is not expected to have a significant impact on Brookfield Renewable's financial reporting.

Amendments to IAS 1 – Presentation of Financial Statements (“IAS 1”)

The amendments clarify how to classify debt and other liabilities as current or non-current. The amendments to IAS 1 apply to annual reporting periods beginning on or after January 1, 2023. Brookfield Renewable is currently assessing the impact of these amendments.

There are currently no other future changes to IFRS with potential impact on Brookfield Renewable.

SUBSEQUENT EVENTS

Subsequent to year-end, Brookfield Renewable, alongside institutional partners, entered into a commitment to invest COP 411 billion (\$111 million) to acquire a 40 MW hydroelectric portfolio in Colombia. The transaction is expected to close in the first quarter of 2021, subject to customary closing conditions, with Brookfield Renewable expected to hold a 24% interest.

Subsequent to year-end, Brookfield Renewable, alongside institutional partners, entered into a commitment to invest COP 153 billion (\$41 million) to acquire a 38 MW portfolio of solar development projects in Colombia. The transaction is expected to close in the first quarter of 2021, subject to customary closing conditions, with Brookfield Renewable expected to hold a 24% interest.

Subsequent to year-end, Brookfield Renewable, together with its institutional partners, closed its purchase of a 23% interest in Polenergia, a large scale renewable business in Poland, in connection with its previously announced tender offer alongside Polenergia's current majority shareholder, at a cost of approximately \$175 million (approximately \$44 million net to Brookfield Renewable for a 6% interest). Brookfield Renewable, together with its institutional partners and Polenergia's current majority shareholder, will collectively hold a 75% interest in the company.

PART 9 – PRESENTATION TO STAKEHOLDERS AND PERFORMANCE MEASUREMENT

PRESENTATION TO PUBLIC STAKEHOLDERS

Equity

Brookfield Renewable's consolidated equity interests include (i) non-voting publicly traded LP units, held by public unitholders and Brookfield, (ii) BEPC exchangeable shares, held by public shareholders and Brookfield, (iii) Redeemable/Exchangeable Limited partnership units in BRELP, a holding subsidiary of Brookfield Renewable, held by Brookfield, and (iv) the GP interest in BRELP, held by Brookfield.

The LP units, the BEPC exchangeable shares and the Redeemable/Exchangeable partnership units have the same economic attributes in all respects, except that the BEPC exchangeable shares provide the holder, and the Redeemable/Exchangeable partnership units provide Brookfield, the right to request that all or a portion of such shares or units be redeemed for cash consideration. Brookfield Renewable, however, has the right, at its sole discretion, to satisfy any such redemption request with LP units, rather than cash, on a one-for-one basis. The public holders of BEPC exchangeable shares, and Brookfield, as holder of BEPC exchangeable shares and Redeemable/Exchangeable Partnership Units, participates in earnings and distributions on a per unit basis equivalent to the per unit participation of the LP units. Because Brookfield Renewable, at its sole discretion, has the right to settle any redemption request in respect of BEPC exchangeable shares and Redeemable/Exchangeable partnership units with LP units, the BEPC exchangeable shares and Redeemable/Exchangeable partnership units are classified under equity, and not as a liability.

Given the exchange feature referenced above, we are presenting LP units, BEPC exchangeable shares, 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.

Actual and Long-term Average Generation

For assets acquired, disposed or reaching commercial operation during the year, reported generation is calculated from the acquisition, disposition or commercial operation date and is not annualized. Generation on a same store basis refers to the generation of assets that were owned during both periods presented. As it relates to Colombia only, generation includes both hydroelectric and cogeneration facilities. Energy transition includes generation from our distributed generation, pumped storage, North America cogeneration and Brazil biomass assets.

North America hydroelectric long-term average 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 long-term average 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. For substantially all of our hydroelectric assets in Brazil the long-term average is based on the reference amount of electricity allocated to our facilities under the market framework which levelizes generation risk across producers. Wind long-term average is the expected average level of generation based on the results of simulated historical wind speed data performed over a period of typically 10 years. Solar long-term average 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 the MRE 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 pumped storage and cogeneration facilities in North America is highly dependent on market price conditions rather than the generating capacity of the facilities. Our pumped storage facility in Europe generates on a dispatchable basis when required by our contracts for ancillary services. Generation from our biomass facilities in Brazil 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 renewable power generating facilities in the United States, Brazil, Europe and Asia. Brookfield Renewable has also entered into a voting agreement with its consortium partners in respect of the Colombian business. 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.

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(s)(ii) – Critical judgments in applying accounting policies – Common control transactions in our December 31, 2020 audited consolidated financial statements for our policy on accounting for transactions under common control.

PERFORMANCE MEASUREMENT

Segment Information

Our operations are segmented by – 1) hydroelectric, 2) wind, 3) solar, 4) energy transition (distributed generation, pumped storage, cogeneration and biomass), and 5) corporate – with hydroelectric and wind further segmented by geography (i.e., North America, Colombia, Brazil, Europe and Asia). This best reflects the way in which the CODM reviews results of our company.

The reporting to the CODM was revised during the year to incorporate the energy transition business of Brookfield Renewable. The energy transition business corresponds to a portfolio of multi-technology assets and investments that support the broader strategy of decarbonization of electricity grids around the world. The financial information of operating segments in the prior periods has been restated to present the corresponding results of the energy transition business.

We report our results in accordance with these segments and present prior period segmented information in a consistent manner. See Note 7 – Segmented information in our audited annual 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 three key metrics — i) Net Income (Loss), ii) Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”), and iii) Funds From Operations.

It is important to highlight that Adjusted EBITDA and 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 and 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” and “PART 6 – Selected Annual and Quarterly 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. 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 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.

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.

Unless the context indicates or requires otherwise, information with respect to the megawatts (“MW”) attributable to Brookfield Renewable’s facilities, including development assets, is presented on a consolidated basis, including with respect to facilities whereby Brookfield Renewable either controls or jointly controls the applicable facility.

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 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

Adjusted 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 Brookfield Renewable 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 partnership unit holders 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. Brookfield Renewable includes realized disposition gains and losses on assets that we did not intend to hold over the long-term within Adjusted EBITDA in order to provide additional insight regarding the performance of investments on a cumulative realized basis, including any unrealized fair value adjustments that were recorded in equity and not otherwise reflected in current period Adjusted EBITDA.

Brookfield Renewable believes that presentation of this measure will enhance an investor's ability to evaluate its financial and operating performance on an allocable basis.

Funds From Operations

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 Brookfield Renewable.

Brookfield Renewable uses Funds From Operations to assess the performance of Brookfield Renewable before the effects of certain cash items (e.g., acquisition costs and other typical non-recurring cash items) and certain non-cash items (e.g., 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 non-cash items) as these are not reflective of the performance of the underlying business. In the consolidated financial statements of Brookfield Renewable, the revaluation approach is used in accordance with IAS 16, Property, Plant and Equipment, whereby depreciation is determined based on a revalued amount, thereby reducing comparability with 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. Management adds back deferred income taxes on the basis that they do not believe this item reflects the present value of the actual tax obligations that they expect Brookfield Renewable to incur over the long-term investment horizon of Brookfield Renewable.

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

Funds From Operations is not intended to be representative of cash provided by operating activities or results of operations determined in accordance with IFRS. Furthermore, this measure is not used by the CODM to assess Brookfield Renewable's liquidity.

Proportionate Debt

Proportionate debt is presented based on the proportionate share of borrowings obligations relating to the investments of Brookfield Renewable in various portfolio businesses. The proportionate financial information is not, and is not intended to be, presented in accordance with IFRS. Proportionate debt measures are provided because management believes it assists investors and analysts in estimating the overall performance and understanding the leverage pertaining specifically to Brookfield Renewable's share of its invested capital in a given investment. When used in conjunction with Proportionate Adjusted EBITDA, proportionate debt is expected to provide useful information as to how Brookfield Renewable has financed its businesses at the asset-level. Management believes that the proportionate presentation, when read in conjunction with Brookfield Renewable's reported results under IFRS, including consolidated debt, provides a more meaningful assessment of how the operations of Brookfield Renewable are performing and capital is being managed. The presentation of proportionate debt has limitations as an analytical tool, including the following:

- Proportionate debt amounts do not represent the consolidated obligation for debt underlying a consolidated investment. If an individual project does not generate sufficient cash flows to service the entire amount of its debt payments, management may determine, in their discretion, to pay the shortfall through an equity injection to avoid defaulting on the obligation. Such a shortfall may not be apparent from or may not equal the difference between aggregate Proportionate Adjusted EBITDA for all of the portfolio investments of Brookfield Renewable and aggregate proportionate debt for all of the portfolio investments of Brookfield Renewable; and
- Other companies may calculate proportionate debt differently.

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

PART 10 – CAUTIONARY STATEMENTS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This 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 report include, but are not limited to, statements regarding the quality of Brookfield Renewable’s assets and the resiliency of the cash flow they will generate, our anticipated financial performance, future commissioning of assets, contracted portfolio, technology diversification, acquisition opportunities, expected completion of acquisitions, future energy prices and demand for electricity, economic recovery, achieving long-term average generation, project development and capital expenditure costs, diversification of shareholder base, energy policies, economic growth, growth potential of the renewable asset class, our future growth prospects and distribution profile, our access to capital and future dividends and distributions made to holders of LP units and BEPC’s exchangeable shares. 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”, “endeavors”, “pursues”, “strives”, “seeks” or variations of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information in this 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.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to 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, as a result of climate change or otherwise, at any of our facilities; volatility in supply and demand in the energy markets; our inability to re-negotiate or replace expiring PPAs 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 balancing pool in Brazil; increased regulation on our operations; concessions and licenses expiring and not being renewed or replaced on similar terms; our real property rights for wind and solar renewable energy facilities being adversely affected by the rights of lienholders and leaseholders that are superior to those granted to us; increases in the cost of operating our facilities; 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 and higher insurance premiums; 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; energy marketing risks; counterparties to our contracts not fulfilling their obligations; the time and expense of enforcing contracts against non-performing counterparties 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; some of our acquisitions may be of distressed companies, which may subject us to increased risks, including the incurrence of legal or other expenses; 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, including by reason of conflicts of interest; we do not have control over all of our operations or investments; political instability or changes in government policy; pandemics or epidemics, including risks associated with the global pandemic caused by COVID-19, and the related global reduction in commerce and travel and substantial volatility in stock markets worldwide, which may result in a decrease of cash flows and impairment losses and/or revaluations of our investments and assets; 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; future sales and issuances of BEP units, preferred units or securities exchangeable for BEP units, including BEPC exchangeable shares, or the perception of such sales or issuances, could depress the trading price of the BEP units, preferred units or BEPC exchangeable shares; 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; our lack of independent means of generating revenue; changes in how Brookfield Asset Management elects to hold its ownership interests in Brookfield Renewable; Brookfield Asset Management acting in a way that is not in our best interests or our Unitholders;; the severity, duration and spread of the COVID-19 outbreak, as well as the direct and indirect impacts that the virus may have; broader impact of climate change; failure of our systems technology; involvement in litigation and other disputes, and governmental and regulatory investigations; any changes in the market price of the BEP units and BEPC exchangeable shares; and other factors described in our Annual Report on Form 20-F.

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 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 Annual Report on Form 20-F and other risks and factors that are described therein.

CAUTIONARY STATEMENT REGARDING USE OF NON-IFRS MEASURES

This report contains references to Adjusted EBITDA, 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 and Funds From Operations per Unit used by other entities. In particular, our definition of 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 and Funds From Operations per Unit are useful supplemental measures that may assist investors in assessing our financial performance. None of Adjusted EBITDA, Funds From Operations or 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. These non-IFRS measures reflect how we manage our business and, in our opinion, enable the reader to better understand our business.

Reconciliations of each of Adjusted EBITDA, Funds From Operations and Funds From Operations per Unit to net income (loss) are 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 7 – Segmented information in the audited annual consolidated financial statements.

BROOKFIELD RENEWABLE PARTNERS L.P.

bep.brookfield.com

NYSE: BEP
TSX: BEP.UN