

Brookfield Renewable Partners L.P.

INTERIM CONSOLIDATED FINANCIAL
STATEMENTS AND NOTES
AS AT SEPTEMBER 30, 2018
AND DECEMBER 31, 2017
AND FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2018 AND 2017

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

UNAUDITED (MILLIONS, EXCEPT AS NOTED)	Notes	Three months ended Sep 30		Nine months ended Sep 30	
		2018	2017	2018	2017
Revenues	19	\$ 674	\$ 608	\$ 2,202	\$ 1,968
Other income		7	7	26	25
Direct operating costs		(257)	(243)	(760)	(716)
Management service costs	19	(22)	(21)	(64)	(58)
Interest expense – borrowings	8	(176)	(158)	(534)	(477)
Share of earnings from equity-accounted investments	13	6	4	12	3
Foreign exchange and unrealized financial instruments loss	4	(10)	(12)	(35)	(44)
Depreciation	7	(192)	(202)	(611)	(600)
Other		(18)	(4)	(72)	23
Income tax recovery (expense)					
Current		(6)	(15)	(20)	(27)
Deferred		11	4	(2)	(17)
		5	(11)	(22)	(44)
Net income (loss)		\$ 17	\$ (32)	\$ 142	\$ 80
Net income (loss) attributable to:					
Non-controlling interests					
Participating non-controlling interests - in operating subsidiaries	9	\$ 55	\$ (4)	\$ 142	\$ 29
General partnership interest in a holding subsidiary held by Brookfield	9	(1)	(1)	(1)	-
Participating non-controlling interests - in a holding subsidiary - Redeemable/Exchangeable units held by Brookfield	9	(22)	(18)	(20)	5
Preferred equity	9	7	7	20	19
Preferred limited partners' equity	10	10	8	29	21
Limited partners' equity	11	(32)	(24)	(28)	6
		\$ 17	\$ (32)	\$ 142	\$ 80
Basic and diluted (loss) earnings per LP Unit		\$ (0.18)	\$ (0.14)	\$ (0.16)	\$ 0.04

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

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

UNAUDITED (MILLIONS)	Notes	Three months ended Sep 30		Nine months ended Sep 30	
		2018	2017	2018	2017
Net income (loss)		\$ 17	\$ (32)	\$ 142	\$ 80
Other comprehensive income (loss) that will not be reclassified to net income (loss)					
Revaluations of property, plant and equipment	7	(13)	-	163	11
Actuarial gain (loss) on defined benefit plans		4	(4)	9	(3)
Deferred income taxes on above items		2	2	(49)	-
Total items that will not be reclassified to net income (loss)		(7)	(2)	123	8
Other comprehensive (loss) income that may be reclassified to net income (loss)					
Foreign currency translation		(126)	321	(534)	338
(Losses) gains arising during the period on financial instruments designated as cash-flow hedges	4	(12)	6	2	27
Unrealized gain (loss) on foreign exchange swaps - net investment hedge	4	(11)	(52)	50	(97)
Unrealized gain (loss) on investments in equity and debt securities	4	10	(9)	(1)	2
Reclassification adjustments for amounts recognized in net income (loss)	4	3	2	17	(6)
Deferred income taxes on above items		4	7	(12)	11
Total items that may be reclassified subsequently to net income (loss)		(132)	275	(478)	275
Other comprehensive (loss) income		(139)	273	(355)	283
Comprehensive (loss) income		\$ (122)	\$ 241	\$ (213)	\$ 363
Comprehensive (loss) income attributable to:					
Non-controlling interests					
Participating non-controlling interests - in operating subsidiaries	9	\$ (21)	\$ 115	\$ 118	\$ 127
General partnership interest in a holding subsidiary held by Brookfield	9	(1)	-	(3)	1
Participating non-controlling interests - in a holding subsidiary - Redeemable/Exchangeable units held by Brookfield	9	(53)	38	(151)	65
Preferred equity	9	17	30	4	64
Preferred limited partners' equity	10	10	8	29	21
Limited partners' equity	11	(74)	50	(210)	85
		\$ (122)	\$ 241	\$ (213)	\$ 363

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

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

UNAUDITED (MILLIONS)	Notes	Sep 30 2018	Dec 31 2017
Assets			
Current assets			
Cash and cash equivalents	14	\$ 313	\$ 799
Restricted cash	15	211	181
Trade receivables and other current assets	16	569	554
Financial instrument assets	4	59	72
Due from related parties		54	60
Assets held for sale	3	758	-
		1,964	1,666
Financial instrument assets	4	161	113
Equity-accounted investments	13	1,111	721
Property, plant and equipment, at fair value	7	25,521	27,096
Goodwill	12	905	901
Deferred income tax assets		169	177
Other long-term assets		110	230
		\$ 29,941	\$ 30,904
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	17	\$ 516	\$ 542
Financial instrument liabilities	4	40	184
Due to related parties	19	120	112
Current portion of long-term debt	8	864	1,676
Liabilities directly associated with assets held for sale	3	527	-
		2,067	2,514
Financial instrument liabilities	4	121	86
Long-term debt and credit facilities	8	10,528	10,090
Deferred income tax liabilities		3,543	3,588
Other long-term liabilities		328	344
		16,587	16,622
Equity			
Non-controlling interests			
Participating non-controlling interests - in operating subsidiaries	9	6,046	6,298
General partnership interest in a holding subsidiary held by Brookfield	9	51	58
Participating non-controlling interests - in a holding subsidiary - Redeemable/Exchangeable units held by Brookfield	9	2,489	2,843
Preferred equity	9	600	616
Preferred limited partners' equity	10	707	511
Limited partners' equity	11	3,461	3,956
		13,354	14,282
		\$ 29,941	\$ 30,904

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

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



Patricia Zuccotti
Director



David Mann
Director

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

UNAUDITED THREE MONTHS ENDED SEPTEMBER 30 (MILLIONS)	Accumulated other comprehensive income						Non-controlling interests						
	Limited partners' equity	Foreign currency translation	Revaluation surplus	Actuarial losses on defined benefit plans	Cash flow hedges	Available- for-sale invest- ments	Total limited partners' equity	Preferred limited partners' equity	Preferred equity	Participating non-controlling interests - in operating subsidiaries	General partnership interest in a holding subsidiary held by Brookfield	Participating non-controlling interests - in a holding subsidiary - Redeemable /Exchangeable units held by Brookfield	Total equity
Balance, as at June 30, 2018	\$ (448)	\$ (533)	\$ 4,628	\$ (7)	\$ (21)	\$ 9	\$ 3,628	\$ 707	\$ 589	\$ 6,140	\$ 53	\$ 2,609	\$ 13,726
Net (loss) income	(32)	-	-	-	-	-	(32)	10	7	55	(1)	(22)	17
Other comprehensive (loss) income	-	(45)	(2)	1	(1)	5	(42)	-	10	(76)	-	(31)	(139)
Capital contributions	-	-	-	-	-	-	-	-	-	9	-	-	9
Distributions or dividends declared	(88)	-	-	-	-	-	(88)	(10)	(6)	(81)	(11)	(64)	(260)
Distribution reinvestment plan	2	-	-	-	-	-	2	-	-	-	-	-	2
Other	(6)	-	(1)	-	-	-	(7)	-	-	(1)	10	(3)	(1)
Change in period	(124)	(45)	(3)	1	(1)	5	(167)	-	11	(94)	(2)	(120)	(372)
Balance, as at September 30, 2018	\$ (572)	\$ (578)	\$ 4,625	\$ (6)	\$ (22)	\$ 14	\$ 3,461	\$ 707	\$ 600	\$ 6,046	\$ 51	\$ 2,489	\$ 13,354
Balance, as at June 30, 2017	\$ (379)	\$ (410)	\$ 4,111	\$ (7)	\$ (29)	\$ 30	\$ 3,316	\$ 511	\$ 597	\$ 5,348	\$ 53	\$ 2,575	\$ 12,400
Net income	(24)	-	-	-	-	-	(24)	8	7	(4)	(1)	(18)	(32)
Other comprehensive income	-	75	-	(2)	5	(4)	74	-	23	119	1	56	273
Preferred LP Units issued	411	-	-	-	-	-	411	-	-	-	-	-	411
Adjustments	(63)	-	-	-	-	-	(63)	-	-	-	1	62	-
Capital contributions	-	-	-	-	-	-	-	-	-	232	-	-	232
Distributions or dividends declared	(86)	-	-	-	-	-	(86)	(8)	(7)	(130)	(9)	(60)	(300)
Distribution reinvestment plan	2	-	-	-	-	-	2	-	-	-	-	-	2
Other	(2)	-	-	-	-	-	(2)	-	1	-	8	(6)	1
Change in period	238	75	-	(2)	5	(4)	312	-	24	217	-	34	587
Balance, as at September 30, 2017	\$ (141)	\$ (335)	\$ 4,111	\$ (9)	\$ (24)	\$ 26	\$ 3,628	\$ 511	\$ 621	\$ 5,565	\$ 53	\$ 2,609	\$ 12,987

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

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

UNAUDITED NINE MONTHS ENDED SEPTEMBER 30 (MILLIONS)	Accumulated other comprehensive income (loss)						Non-controlling interests						
	Limited partners'	Foreign currency translation	Revaluation surplus	Actuarial losses on defined benefit plans	Cash flow hedges	Available- for-sale invest- ments	Total limited partners' equity	Preferred limited partners' equity	Preferred equity	Participating non-controlling interests - in operating subsidiaries	General partnership interest in a holding subsidiary held by Brookfield	Participating non-controlling interests - in a holding subsidiary - Redeemable /Exchangeable units held by Brookfield	Total equity
Balance, as at December 31, 2017	\$ (259)	\$ (378)	\$ 4,616	\$ (9)	\$ (29)	\$ 15	\$ 3,956	\$ 511	\$ 616	\$ 6,298	\$ 58	\$ 2,843	\$ 14,282
Net (loss) income	(28)	-	-	-	-	-	(28)	29	20	142	(1)	(20)	142
Other comprehensive income (loss)	-	(200)	9	3	7	(1)	(182)	-	(16)	(24)	(2)	(131)	(355)
Preferred LP Units issued (Note 10)	-	-	-	-	-	-	-	196	-	-	-	-	196
LP Units purchased for cancellation (Note 11)	(8)	-	-	-	-	-	(8)	-	-	-	-	-	(8)
Capital contributions (Note 9)	-	-	-	-	-	-	-	-	-	13	-	-	13
Acquisition	-	-	-	-	-	-	-	-	-	21	-	-	21
Distributions or dividends declared	(266)	-	-	-	-	-	(266)	(29)	(20)	(438)	(34)	(192)	(979)
Distribution reinvestment plan	7	-	-	-	-	-	7	-	-	-	-	-	7
Other	(18)	-	-	-	-	-	(18)	-	-	34	30	(11)	35
Change in period	(313)	(200)	9	3	7	(1)	(495)	196	(16)	(252)	(7)	(354)	(928)
Balance, as at September 30, 2018	\$ (572)	\$ (578)	\$ 4,625	\$ (6)	\$ (22)	\$ 14	\$ 3,461	\$ 707	\$ 600	\$ 6,046	\$ 51	\$ 2,489	\$ 13,354
Balance, as at December 31, 2016	\$ (257)	\$ (404)	\$ 4,124	\$ (8)	\$ (31)	\$ 24	\$ 3,448	\$ 324	\$ 576	\$ 5,589	\$ 55	\$ 2,680	\$ 12,672
Net income	6	-	-	-	-	-	6	21	19	29	-	5	80
Other comprehensive (loss) income	-	69	2	(1)	7	2	79	-	45	98	1	60	283
Preferred LP Units and LP Units issued	411	-	-	-	-	-	411	187	-	-	-	-	598
Adjustments	(63)	-	-	-	-	-	(63)	-	-	-	1	62	-
Capital contributions	-	-	-	-	-	-	-	-	-	281	-	-	281
Distributions or dividends declared	(243)	-	-	-	-	-	(243)	(21)	(19)	(426)	(26)	(183)	(918)
Distribution reinvestment plan	7	-	-	-	-	-	7	-	-	-	-	-	7
MTO adjustments	-	-	-	-	-	-	-	-	-	(5)	-	-	(5)
Other	(2)	-	(15)	-	-	-	(17)	-	-	(1)	22	(15)	(11)
Change in period	116	69	(13)	(1)	7	2	180	187	45	(24)	(2)	(71)	315
Balance, as at September 30, 2017	\$ (141)	\$ (335)	\$ 4,111	\$ (9)	\$ (24)	\$ 26	\$ 3,628	\$ 511	\$ 621	\$ 5,565	\$ 53	\$ 2,609	\$ 12,987

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

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

UNAUDITED (MILLIONS)	Notes	Three months ended Sep 30 2018	2017	Nine months ended Sep 30 2018	2017
Operating activities					
Net income (loss)		\$ 17	\$ (32)	\$ 142	\$ 80
Adjustments for the following non-cash items:					
Depreciation	7	192	202	611	600
Foreign exchange and unrealized financial instrument loss	4	5	23	14	50
Share of earnings from equity-accounted investments	13	(5)	(4)	(11)	(3)
Deferred income tax (recovery) expense	6	(11)	(4)	2	17
Other non-cash items		10	8	50	(24)
Dividends received from equity-accounted investments	13	13	2	27	5
Changes in due to or from related parties		16	5	28	(5)
Net change in working capital balances		(1)	4	(46)	26
		236	204	817	746
Financing activities					
Long-term debt - borrowings	8	713	500	2,676	799
Long-term debt - repayments	8	(316)	(709)	(2,549)	(1,171)
Capital contributions from participating non-controlling interests - in operating subsidiaries	9	9	232	13	281
Acquisition of Isagen from non-controlling interests	9	-	-	-	(5)
Issuance of preferred limited partnership units	10	-	-	196	187
Issuance of LP Units		-	411	-	411
Repurchase of LP Units	10	-	-	(8)	-
Distributions paid:					
To participating non-controlling interests - in operating subsidiaries	9	(81)	(130)	(438)	(426)
To preferred shareholders		(7)	(7)	(20)	(19)
To preferred limited partners' unitholders	10	(9)	(8)	(27)	(19)
To unitholders of Brookfield Renewable or BRELP	9, 11	(161)	(151)	(482)	(440)
Borrowings from related party	19	-	-	200	-
Repayments to related party	19	(200)	-	(200)	-
		(52)	138	(639)	(402)
Investing activities					
Acquisitions net of cash and cash equivalents in acquired entity	2	-	(280)	(12)	(280)
Investment in:					
Sustaining capital expenditures	7	(37)	(39)	(93)	(90)
Development and construction of renewable power generating assets	7	(22)	(67)	(60)	(156)
Proceeds from disposal of assets		-	-	-	150
Disposal of securities	4	-	-	25	-
Investment in equity accounted investments	13	-	9	(420)	(30)
Restricted cash and other		(46)	(2)	(75)	(24)
		(105)	(379)	(635)	(430)
Foreign exchange (loss) gain on cash		(6)	6	(14)	6
Cash and cash equivalents					
Increase (decrease)		73	(31)	(471)	(80)
Net change in cash classified within assets held for sale	3	3	-	(15)	-
Balance, beginning of period		237	174	799	223
Balance, end of period		\$ 313	\$ 143	\$ 313	\$ 143
Supplemental cash flow information:					
Interest paid		\$ 154	\$ 116	\$ 469	\$ 421
Interest received		\$ 5	\$ 6	\$ 17	\$ 23
Income taxes paid		\$ 10	\$ 15	\$ 33	\$ 43

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

BROOKFIELD RENEWABLE PARTNERS L.P.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

Brookfield Renewable's non-voting limited partnership units ("LP Units") are traded under the symbol "BEP" on the New York Stock Exchange and under the symbol "BEP.UN" on the Toronto Stock Exchange. Brookfield Renewable's Class A Series 5, Series 7, Series 9, Series 11 and Series 13 preferred limited

partners' equity are traded under the symbols "BEP.PR.E", "BEP.PR.G", "BEP.PR.I", "BEP.PR.K" and "BEP.PR.M" respectively, on the Toronto Stock Exchange.

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1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

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

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

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

These consolidated financial statements have been authorized for issuance by the Board of Directors of its general partner, BRPL, on October 31, 2018.

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

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

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

(b) Basis of preparation

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

Consolidation

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

Revenue Recognition

The majority of revenue is derived from the sale of power and power related ancillary services both under contract and in the open market, sourced from Brookfield Renewable's power generating facilities. The

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

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

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

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

Revenues recognized that are outside the scope of IFRS 15 include realized gains and losses from derivatives used in the risk management of the Brookfield Renewable's generation activities related to commodity prices. Financial transactions included in revenues for the three and nine months ended September 30, 2018 decreased revenues by \$5 million and \$22 million, respectively (2017: \$1 million and \$9 million, respectively).

(c) Recently adopted accounting standards

IFRS 15 – Revenue from contracts with customers

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

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

IFRS 9 – Financial instruments

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

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

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

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

Recognition and Derecognition

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

Classification

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

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

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

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

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

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

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

⁽¹⁾ Includes both current and non-current portions.

⁽²⁾ Investments in equity securities were originally referred to as available-for-sale securities in the 2017 annual consolidated financial statements.

⁽³⁾ Derivative financial instruments comprise of energy derivative contracts, interest rate swaps and foreign exchange swaps.

Measurement

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

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

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

Amortized cost – Assets held for collection of contractual cash flows that represent solely payments of principal and interest are measured at amortized cost. Interest income is recognized as other income in

the financial statements, and gains/losses are recognized in profit or loss when the asset is derecognized or impaired.

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

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

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

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

Impairment

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

Evidence of impairment may include:

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

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

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

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

Derivatives and hedge accounting

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

Brookfield Renewable designates its derivatives as hedges of:

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

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

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

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

Cash flow hedges that qualify for hedge accounting

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

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

Net investment hedges that qualify for hedge accounting

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

Hedge ineffectiveness

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

(e) Future changes in accounting policies

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

Standard	Description	Effective date	Effect on financial statements
In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16").	IFRS 16 brings most leases onto the statement of financial position for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting remains largely unchanged and the distinction between operating and finance leases is retained. Under IFRS 16 a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly, and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease. Lessees are permitted to make an accounting policy election, by class of underlying asset, to apply a method like IAS 17's operating lease accounting and not recognize lease assets and lease liabilities for leases with a lease term of 12 months or less, and on a lease-by-lease basis, to apply a method similar to current operating lease accounting to leases for which the underlying asset is of low value. IFRS 16 supersedes IAS 17, Leases and related interpretations. A lessee will apply IFRS 16 to its leases either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying IFRS 16 being recognized at the date of initial application.	The standard has a mandatory effective date for annual periods beginning on or after January 1, 2019, with early adoption permitted.	Management has formed its adoption working group and participated in planning sessions with Brookfield Asset Management. Management intends to adopt the standard using the modified retrospective approach, which will result in a one-time adjustment to opening equity as of January 1, 2019 as if the standard had always been in effect. We will complete the transition using the current definition of a lease and expect to apply certain transition reliefs and other practical expedients and policy choice options on adoption of the new standard. Initial quantification is complete, and review is underway. We are progressing as planned in our adoption project plan. Next steps involve the finalization of the documented analysis, including assessing the impact to IT system requirements and internal controls, drafting the disclosures required by the new standard and rolling-forward the analysis to include all active leases as at year-end. Management continues to evaluate the overall impact of IFRS 16 on its consolidated financial statements.

2. ACQUISITIONS

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

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

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

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

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

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

3. ASSETS HELD FOR SALE

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

A revaluation of the assets held for sale was performed immediately prior to classification as held for sale in accordance with our accounting policy election to apply the revaluation method. The cumulative amount recognized in other comprehensive income relating to limited partners' equity for the assets held for sale is \$12 million.

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

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

(MILLIONS)	Total
Assets	
Cash and cash equivalents	\$ 15
Restricted cash	19
Trade receivables and other current assets	19
Property, plant and equipment, at fair value	619
Goodwill	22
Other long-term assets	64
Assets held for sale	\$ 758
Liabilities	
Current liabilities	\$ 27
Long-term debt	361
Other long-term liabilities	139
Liabilities directly associated with assets held for sale	\$ 527

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

RISK MANAGEMENT

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

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

Fair value disclosures

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

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

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

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

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

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

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

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

	Sep 30, 2018				Dec 31
(MILLIONS)	Level 1	Level 2	Level 3	Total	2017
Assets measured at fair value:					
Cash and cash equivalents	\$ 313	\$ -	\$ -	\$ 313	\$ 799
Restricted cash ⁽¹⁾	257	-	-	257	284
Financial instrument assets ⁽²⁾⁽³⁾					
Interest rate swaps	-	19	-	19	6
Foreign exchange swaps	-	66	-	66	20
Investments in equity and debt securities ⁽²⁾	71	64	-	135	159
Property, plant and equipment	-	-	25,521	25,521	27,096
Liabilities measured at fair value:					
Financial instrument liabilities ⁽³⁾					
Energy derivative contracts	-	(23)	-	(23)	(19)
Interest rate swaps	-	(128)	-	(128)	(155)
Foreign exchange swaps	-	(10)	-	(10)	(96)
Contingent consideration ⁽⁴⁾	-	-	(17)	(17)	(18)
Assets for which fair value is disclosed:					
Equity-accounted investments ⁽⁵⁾	723	-	-	723	278
Liabilities for which fair value is disclosed:					
Long-term debt and credit facilities	-	(11,832)	-	(11,832)	(12,479)
Total	\$ 1,364	\$ (11,844)	\$ 25,504	\$ 15,024	\$ 15,875

⁽¹⁾ Includes both the current amount and long-term amount included in Other long-term assets.

⁽²⁾ Amounts in Level 2 include Brookfield Infrastructure Debt Fund holdings.

⁽³⁾ Includes both current and long-term amounts.

⁽⁴⁾ Amount relates to business combinations with obligations lapsing in 2021 and 2024.

⁽⁵⁾ The fair value corresponds to our investment in publicly-quoted common shares of TerraForm Power, Inc.

There were no transfers between levels during the nine months ended September 30, 2018.

Financial instruments disclosures

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

	2018			2017
(MILLIONS)	Assets	Liabilities	Net Assets (Liabilities)	Net Assets (Liabilities)
Energy derivative contracts	\$ -	\$ 23	\$ (23)	\$ (19)
Interest rate swaps	19	128	(109)	(149)
Foreign exchange swaps	66	10	56	(76)
Investments in equity and debt securities	135	-	135	159
Total	220	161	59	(85)
Less: current portion	59	40	19	(112)
Long-term portion	\$ 161	\$ 121	\$ 40	\$ 27

(a) Energy derivative contracts

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

(b) Interest rate hedges

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

(c) Foreign exchange swaps

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

(d) Investments in equity and debt securities

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

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

(MILLIONS)	Three months ended Sep 30		Nine months ended Sep 30	
	2018	2017	2018	2017
Energy derivative contracts	\$ (3)	\$ 1	\$ (1)	\$ 1
Interest rate swaps	4	(1)	24	(11)
Foreign exchange swaps - cash flow	10	(14)	56	(30)
Foreign exchange loss	(21)	2	(114)	(4)
	\$ (10)	\$ (12)	\$ (35)	\$ (44)

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

(MILLIONS)	Three months ended Sep 30		Nine months ended Sep 30	
	2018	2017	2018	2017
Energy derivative contracts	\$ (14)	\$ 1	\$ (11)	\$ 23
Interest rate swaps	2	5	13	4
	(12)	6	2	27
Foreign exchange swaps - net investment	(11)	(52)	50	(97)
Investments in equity and debt securities	10	(9)	(1)	2
	\$ (13)	\$ (55)	\$ 51	\$ (68)

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

(MILLIONS)	Three months ended Sep 30		Nine months ended Sep 30	
	2018	2017	2018	2017
Energy derivative contracts	\$ -	\$ (6)	\$ 8	\$ (22)
Interest rate swaps	3	8	9	16
	\$ 3	\$ 2	\$ 17	\$ (6)

5. SEGMENTED INFORMATION

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

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

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

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

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

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

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

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

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

The following segmented information is regularly reported to the CODM.

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

	Attributable to Unitholders											Contribution	Attributable	As per
	Hydroelectric			Wind				Solar	Storage and	Corporate	Total	from equity accounted investments	to non-controlling interests	IFRS financials ⁽¹⁾
(\$ MILLIONS)	North America	Brazil	Colombia	North America	Europe	Brazil	Other		Other					
Revenues	166	53	54	50	17	15	4	58	25	-	442	(100)	332	674
Other income	1	1	-	-	-	-	-	1	-	1	4	(1)	4	7
Direct operating costs	(68)	(16)	(25)	(20)	(8)	(2)	(1)	(13)	(11)	(5)	(169)	31	(119)	(257)
Share of Adjusted EBITDA from equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	70	-	70
Adjusted EBITDA	99	38	29	30	9	13	3	46	14	(4)	277	-	217	
Management service costs	-	-	-	-	-	-	-	-	-	(22)	(22)	-	-	(22)
Interest expense - borrowings	(44)	(5)	(9)	(16)	(6)	(2)	(1)	(15)	(3)	(27)	(128)	29	(77)	(176)
Current income taxes	(2)	(2)	-	-	(1)	-	-	-	-	-	(5)	2	(3)	(6)
Distributions attributable to														
Preferred limited partners equity	-	-	-	-	-	-	-	-	-	(10)	(10)	-	-	(10)
Preferred equity	-	-	-	-	-	-	-	-	-	(7)	(7)	-	-	(7)
Share of interest and cash taxes from equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	(31)	-	(31)
Share of Funds From Operations attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(137)	(137)
Funds From Operations	53	31	20	14	2	11	2	31	11	(70)	105	-	-	
Depreciation	(57)	(32)	(4)	(34)	(13)	(3)	-	(11)	(5)	(1)	(160)	32	(64)	(192)
Foreign exchange and unrealized financial instrument loss	(5)	1	-	-	1	(3)	(1)	-	-	1	(6)	-	(4)	(10)
Deferred income tax expense	7	-	(1)	(4)	1	-	-	(1)	-	15	17	3	(9)	11
Other	(1)	2	(4)	(3)	-	-	-	-	(1)	(4)	(11)	(2)	(5)	(18)
Share of earnings from equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	(33)	-	(33)
Net loss attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	82	82
Net income (loss) attributable to Unitholders ⁽²⁾	(3)	2	11	(27)	(9)	5	1	19	5	(59)	(55)	-	-	(55)

⁽¹⁾ Share of earnings from equity-accounted investments of \$6 million is comprised of amounts found on the share of Adjusted EBITDA, share of interest and cash taxes and share of earnings lines. Net income attributable to participating non-controlling interests – in operating subsidiaries of \$55 million is comprised of amounts found on Share of Funds From Operations attributable to non-controlling interests and Net loss attributable to non-controlling interests.

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

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

	Attributable to Unitholders								Contribution from equity accounted investments	Attributable to non-controlling interests	As per IFRS financials ⁽¹⁾	
	Hydroelectric			Wind			Storage and	Corporate	Total			
	North America	Brazil	Colombia	North America	Europe	Brazil	Other					
(\$ MILLIONS)												
Revenues	201	60	47	30	11	10	18	-	377	(15)	246	608
Other income	1	4	-	-	-	-	-	-	5	-	2	7
Direct operating costs	(74)	(22)	(22)	(9)	(7)	(1)	(9)	(6)	(150)	6	(99)	(243)
Share of Adjusted EBITDA from equity accounted investments	-	-	-	-	-	-	-	-	-	9	-	9
Adjusted EBITDA	128	42	25	21	4	9	9	(6)	232	-	149	
Management service costs	-	-	-	-	-	-	-	(21)	(21)	-	-	(21)
Interest expense - borrowings	(46)	(2)	(10)	(10)	(3)	(2)	(3)	(23)	(99)	3	(62)	(158)
Current income taxes	-	(3)	(2)	-	(1)	-	-	-	(6)	-	(9)	(15)
Distributions attributable to												
Preferred limited partners equity	-	-	-	-	-	-	-	(8)	(8)	-	-	(8)
Preferred equity	-	-	-	-	-	-	-	(7)	(7)	-	-	(7)
Share of interest and cash taxes from equity accounted investments	-	-	-	-	-	-	-	-	-	(3)	-	(3)
Share of Funds From Operations attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(78)	(78)
Funds From Operations	82	37	13	11	-	7	6	(65)	91	-	-	
Depreciation	(54)	(36)	(8)	(21)	(5)	(2)	(7)	-	(133)	3	(72)	(202)
Foreign exchange and unrealized financial instrument loss	1	-	(2)	-	(8)	-	-	1	(8)	-	(4)	(12)
Deferred income tax (expense) recovery	13	1	(3)	(10)	2	-	-	7	10	-	(6)	4
Other	(7)	(1)	1	(1)	10	1	3	(9)	(3)	(1)	-	(4)
Share of earnings from equity accounted investments	-	-	-	-	-	-	-	-	-	(2)	-	(2)
Net loss attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	82	82
Net income (loss) attributable to Unitholders ⁽²⁾	35	1	1	(21)	(1)	6	2	(66)	(43)	-	-	(43)

⁽¹⁾ Share of earnings from equity-accounted investments of \$4 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 \$4 million is comprised of amounts found on Share of Funds From Operations attributable to non-controlling interests and Net loss attributable to non-controlling interests.

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

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

	Attributable to Unitholders										Contribution from equity accounted investments		Attributable to non-controlling interests	As per IFRS financials ⁽¹⁾
	Hydroelectric			Wind				Solar	Storage and Other	Corporate	Total			
(\$ MILLIONS)	North America	Brazil	Colombia	North America	Europe	Brazil	Other							
Revenues	655	185	160	158	46	33	9	106	62	-	1,414	(197)	985	2,202
Other income	6	3	1	1	1	-	-	4	-	2	18	(5)	13	26
Direct operating costs	(206)	(55)	(70)	(50)	(20)	(7)	(3)	(23)	(29)	(17)	(480)	63	(343)	(760)
Share of Adjusted EBITDA from equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	139	12	151
Adjusted EBITDA	455	133	91	109	27	26	6	87	33	(15)	952	-	667	
Management service costs	-	-	-	-	-	-	-	-	-	(64)	(64)	-	-	(64)
Interest expense - borrowings	(128)	(17)	(29)	(44)	(12)	(6)	(3)	(30)	(10)	(75)	(354)	54	(234)	(534)
Current income taxes	(5)	(7)	-	(1)	(2)	-	-	-	-	-	(15)	3	(8)	(20)
Distributions attributable to														
Preferred limited partners equity	-	-	-	-	-	-	-	-	-	(29)	(29)	-	-	(29)
Preferred equity	-	-	-	-	-	-	-	-	-	(20)	(20)	-	-	(20)
Share of interest and cash taxes from equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	(57)	(10)	(67)
Share of Funds From Operations attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(415)	(415)
Funds From Operations	322	109	62	64	13	20	3	57	23	(203)	470	-	-	
Depreciation	(170)	(103)	(14)	(89)	(30)	(10)	(2)	(24)	(17)	(1)	(460)	61	(212)	(611)
Foreign exchange and unrealized financial instrument loss	(4)	-	1	3	6	(11)	(2)	(3)	(2)	14	2	(6)	(31)	(35)
Deferred income tax expense	1	1	(4)	(9)	2	-	-	(1)	-	24	14	2	(18)	(2)
Other	(19)	(2)	(4)	(8)	(3)	-	(2)	(10)	(10)	(17)	(75)	15	(12)	(72)
Share of earnings from equity accounted investments	-	-	-	-	-	-	-	-	-	-	-	(72)	-	(72)
Net income attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	273	273
Net income (loss) attributable to Unitholders ⁽²⁾	130	5	41	(39)	(12)	(1)	(3)	19	(6)	(183)	(49)	-	-	(49)

⁽¹⁾ Share of earnings from equity-accounted investments of \$12 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 \$142 million is comprised of amounts found on Share of Funds From Operations attributable to non-controlling interests and Net Income attributable to non-controlling interests.

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

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

(\$ MILLIONS)	Attributable to Unitholders							Corporate	Total	Contribution from equity accounted investments	Attributable to non-controlling interests	As per IFRS financials ⁽¹⁾
	Hydroelectric			Wind			Storage and Other					
	North America	Brazil	Colombia	North America	Europe	Brazil						
Revenues	726	178	140	109	35	19	42	-	1,249	(35)	754	1,968
Other income	1	10	2	-	-	-	-	1	14	-	11	25
Direct operating costs	(207)	(53)	(69)	(26)	(16)	(4)	(25)	(17)	(417)	15	(314)	(716)
Share of Adjusted EBITDA from equity accounted investments	-	-	-	-	-	-	-	-	-	20	-	20
Adjusted EBITDA	520	135	73	83	19	15	17	(16)	846	-	451	
Management service costs	-	-	-	-	-	-	-	(58)	(58)	-	-	(58)
Interest expense - borrowings	(135)	(12)	(32)	(31)	(9)	(4)	(10)	(66)	(299)	9	(187)	(477)
Current income taxes	1	(8)	(3)	-	(1)	-	-	-	(11)	-	(16)	(27)
Distributions attributable to Preferred limited partners equity	-	-	-	-	-	-	-	(21)	(21)	-	-	(21)
Preferred equity	-	-	-	-	-	-	-	(19)	(19)	-	-	(19)
Share of interest and cash taxes from equity accounted investments	-	-	-	-	-	-	-	-	-	(9)	-	(9)
Share of Funds From Operations attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(248)	(248)
Funds From Operations	386	115	38	52	9	11	7	(180)	438	-	-	
Depreciation	(163)	(106)	(24)	(62)	(17)	(5)	(19)	-	(396)	9	(213)	(600)
Foreign exchange and unrealized financial instrument loss	(3)	(3)	(1)	1	(14)	-	-	(15)	(35)	1	(4)	(38)
Deferred income tax expense	(5)	3	(9)	(4)	4	-	-	18	7	-	(24)	(17)
Other	(17)	(6)	8	-	12	2	7	(9)	(3)	(2)	22	17
Share of earnings from equity accounted investments	-	-	-	-	-	-	-	-	-	(8)	-	(8)
Net income attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	219	219
Net income (loss) attributable to Unitholders ⁽²⁾	198	3	12	(13)	(6)	8	(5)	(186)	11	-	-	11

⁽¹⁾ Share of earnings from equity-accounted investments of \$3 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 \$29 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 presents information on a segmented basis about certain items in Brookfield Renewable's statement of financial position:

(MILLIONS)	Attributable to Unitholders												Contribution			
	Hydroelectric			Wind				Solar	Storage and Other	Corporate	Total	from equity accounted investments	Attributable to non- controlling interests	As per IFRS financials		
	North America	Colombia	Brazil	North America	Europe	Brazil	Other									
As at September 30, 2018:																
Cash and cash equivalents	\$ 14	\$ 15	\$ 87	\$ 36	\$ 41	\$ 7	\$ 4	\$ 64	\$ 10	\$ 12	\$ 290	\$ (115)	\$ 138	\$ 313		
Property, plant and equipment, at fair value	11,141	1,296	1,493	2,195	794	248	30	1,312	572	-	19,081	(3,079)	9,519	25,521		
Total assets	11,452	1,582	1,743	2,350	927	282	53	1,619	632	165	20,805	(2,503)	11,639	29,941		
Total borrowings	2,986	459	229	1,341	484	76	33	998	256	2,891	9,753	(2,041)	3,680	11,392		
Total liabilities	5,121	818	372	1,782	630	81	41	1,256	291	3,105	13,497	(2,503)	5,593	16,587		
For the nine months ended September 30, 2018:																
Additions to property, plant and equipment	55	4	22	9	10	-	-	9	2	6	117	(15)	56	158		
As at December 31, 2017:																
Cash and cash equivalents	\$ 21	\$ 14	\$ 40	\$ 18	\$ 19	\$ 7	\$ 103	\$ 90	\$ 11	\$ 7	\$ 330	\$ (30)	\$ 499	\$ 799		
Property, plant and equipment, at fair value	11,396	1,303	1,908	1,798	482	304	11	602	625	-	18,429	(1,451)	10,118	27,096		
Total assets	11,709	1,574	2,149	1,888	532	443	31	765	691	180	19,962	(1,040)	11,982	30,904		
Total borrowings	3,049	447	200	1,005	233	192	9	499	253	2,552	8,439	(848)	4,175	11,766		
Total liabilities	5,237	801	380	1,338	334	208	18	573	304	2,786	11,979	(1,039)	5,682	16,622		
For the year ended December 31, 2017:																
Additions to property, plant and equipment	90	8	59	6	34	-	-	-	13	10	220	(10)	144	354		

Geographical Information

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

(MILLIONS)	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
United States	\$ 196	\$ 185	\$ 691	\$ 673
Colombia	222	195	664	583
Canada	76	100	302	358
Brazil	119	106	328	274
Europe	19	22	87	80
Other	42	-	130	-
	674	608	2,202	1,968

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

(MILLIONS)	Sep 30	Dec 31
	2018	2017
United States	\$ 11,203	\$ 11,131
Colombia	5,370	5,401
Canada	5,562	5,810
Brazil	2,772	3,479
Europe	1,410	1,332
Other	315	664
	26,632	27,817

6. INCOME TAXES

Brookfield Renewable's effective income tax rate was 13.5% for the nine months ended September 30, 2018 (2017: 35.5%). The effective tax rate is different than the statutory rate primarily due to rate differentials and non-controlling interests' income not subject to tax.

7. PROPERTY, PLANT AND EQUIPMENT, AT FAIR VALUE

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

(MILLIONS)	Notes	Hydro	Wind	Solar	Other ⁽¹⁾	Total ⁽²⁾
As at December 31, 2017		\$ 22,399	\$ 3,803	\$ 575	\$ 319	\$ 27,096
Additions to assets under construction		131	23	2	2	158
Acquisitions through business combinations	2	-	72	86	-	158
Transfer to assets held for sale	3	-	(58)	(561)	-	(619)
Items recognized through OCI						
Change in fair value	3	-	-	163	-	163
Foreign exchange		(493)	(222)	(75)	(48)	(838)
Items recognized through net income						
Disposal and expensing of development costs		(23)	(3)	-	(10)	(36)
Depreciation		(400)	(178)	(17)	(16)	(611)
Other		(9)	-	59	-	50
As at September 30, 2018		\$ 21,605	\$ 3,437	\$ 232	\$ 247	\$ 25,521

⁽¹⁾ Includes storage, biomass and cogeneration.

⁽²⁾ Includes intangible assets of \$11 million (2017: \$13 million) and assets under construction of \$429 million (2017: \$601 million).

8. LONG-TERM DEBT AND CREDIT FACILITIES

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

(MILLIONS EXCEPT AS NOTED)	Sep 30, 2018				Dec 31, 2017			
	Weighted-average Interest rate (%)	Term (years)	Carrying value	Estimated fair value	Weighted-average Interest rate (%)	Term (years)	Carrying value	Estimated fair value
Corporate borrowings								
Series 3 (C\$200)	5.3	0.1	\$ 155	\$ 158	5.3	0.8	\$ 159	\$ 163
Series 4 (C\$150)	5.8	18.1	116	135	5.8	18.9	119	144
Series 7 (C\$450)	5.1	2.0	349	368	5.1	2.8	358	382
Series 8 (C\$400)	4.8	3.4	310	324	4.8	4.1	318	344
Series 9 (C\$400)	3.8	6.7	310	308	3.8	7.4	318	321
Series 10 (C\$500)	3.6	8.3	387	375	3.6	9.0	398	400
Series 11 (C\$300)	4.3	10.3	232	231	-	-	-	-
	4.5	6.2	\$ 1,859	\$ 1,899	4.5	6.4	\$ 1,670	\$ 1,754
Credit facilities	3.2	3.5	\$ 1,049	\$ 1,049	2.6	4.5	\$ 887	\$ 887
Subsidiary borrowings								
Hydroelectric	6.2	9.5	\$ 6,375	\$ 6,597	6.3	8.8	\$ 6,392	\$ 6,813
Wind	4.7	11.2	1,930	2,020	5.8	9.7	2,211	2,343
Solar	6.0	7.5	170	170	11.1	7.6	643	643
Storage and other	4.0	5.1	93	97	8.4	17.8	39	39
	5.8	9.8	\$ 8,568	\$ 8,884	6.5	9.0	\$ 9,285	\$ 9,838
Total debt			11,476	11,832			11,842	12,479
Add: Unamortized premiums ⁽¹⁾			1				1	
Less: Unamortized financing fees ⁽¹⁾			(85)				(77)	
Less: Current portion			(864)				(1,676)	
			\$ 10,528				\$ 10,090	

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

Corporate borrowings

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

On September 20, 2018, Brookfield Renewable completed the issuance of C\$300 million (\$230 million) Series 11 medium-term notes which carry a fixed interest rate of 4.25% and mature in January 2029.

Subsidiary borrowings

Subsidiary borrowings are typically asset-specific, long-term, non-recourse borrowings denominated in the domestic currency of the subsidiary. Subsidiary borrowings in North America, Europe and South Africa consist of both fixed and floating interest rate debt. Subsidiary borrowings in South Africa consist of floating interest rate debt indexed to the Johannesburg Interbank Agreed Rate ("JIBAR") and U.S. dollar

denominated debt indexed to the London Interbank Offered Rate ("LIBOR"). Brookfield Renewable uses interest rate swap agreements in North America, Europe and South Africa to minimize its exposure to floating interest rates. Subsidiary borrowings in Brazil consist of floating interest rates of Taxa de Juros de Longo Prazo ("TJLP"), the Brazil National Bank for Economic Development's long-term interest rate, or Interbank Deposit Certificate rate ("CDI"), plus a margin. Subsidiary borrowings in Colombia include floating interest rates of Indicador Bancario de Referencia rate ("IBR"), the Banco Central de Colombia short-term interest rate, or Colombian Consumer Price Index ("IPC"), the Banco Central de Colombia inflation rate, plus a margin. Subsidiary borrowings in Malaysia consist of floating interest rate debt indexed to the Kuala Lumpur Interbank Offering Rate ("KLIBOR"). Subsidiary borrowings in India consist of fixed interest rate U.S. dollar denominated debt.

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

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

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

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

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

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

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

On August 31, 2018, Brookfield Renewable completed a refinancing of COP 338 billion (\$111 million) of debt associated with the Colombian business. The amortizing loan bears a fixed interest rate of 7.48% and matures in August 2025.

On September 14, 2018, Brookfield Renewable completed a R\$250 million (\$60 million) financing associated with our Brazilian hydroelectric business. The debenture bears interest at 113% of CDI and matures in September 2023.

On September 28, 2018, Brookfield Renewable increased indebtedness associated with a 166 MW wind portfolio in Ontario through a C\$60 million (\$46 million) private placement. The debt bears a fixed rate of 4.86% and matures in August 2031.

As part of the TerraForm Global transaction, Brookfield Renewable acquired assets with project level financings that were in default prior to the acquisition, had outstanding principal amounts totaling \$316 million, and mature between 2026 and 2031. As at September 30, 2018, the loans remained not in compliance with certain covenants due to conditions that existed prior to the acquisition of TerraForm Global, including issues with contractors under engineering, procurement and construction contracts. The loan balances relating to the South African Portfolio have been classified as Liabilities directly associated with assets held for sale. See Note 3 – Assets held for sale. The remaining balances have been classified as current as at September 30, 2018 in the interim consolidated IFRS financial statements. These loans have a total outstanding balance as at September 30, 2018 of \$14 million. Brookfield Renewable is currently working with all the lenders to cure such defaults and release the restrictions placed on the projects. Except for the aforementioned defaults, Brookfield Renewable complied with all material financial covenants as of September 30, 2018.

Credit facilities

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

The following table summarizes the available portion of credit facilities:

	Sep 30	Dec 31
(MILLIONS)	2018	2017
Authorized corporate credit facilities ⁽¹⁾	\$ 2,100	\$ 2,090
Draws on corporate credit facilities ⁽¹⁾	(1,038)	(685)
Issued letters of credit	(35)	(193)
Available portion of corporate credit facilities	1,027	1,212

⁽¹⁾ Amounts are guaranteed by Brookfield Renewable. Excludes \$11 million (2017: \$202 million) borrowed under a subscription facility of a Brookfield sponsored private fund.

9. NON-CONTROLLING INTERESTS

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

	Sep 30 2018	Dec 31 2017
(MILLIONS)		
Participating non-controlling interests - in operating subsidiaries	\$ 6,046	\$ 6,298
General partnership interest in a holding subsidiary held by Brookfield	51	58
Participating non-controlling interests - in a holding subsidiary - Redeemable/Exchangeable units held by Brookfield	2,489	2,843
Preferred equity	600	616
	\$ 9,186	\$ 9,815

Participating non-controlling interests – in operating subsidiaries

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

	Brookfield Americas Infrastructure Fund	Brookfield Infrastructure Fund II	Brookfield Infrastructure Fund III	The Catalyst Group	Isagen institu- tional investors	Isagen public non-con -trolling interests	Other	Total
(MILLIONS)								
As at December 31, 2017	\$ 850	\$ 1,682	\$ 1,852	\$ 134	\$ 1,701	\$ 9	\$ 70	\$ 6,298
Net income (loss)	6	(1)	27	15	90	-	5	142
OCI	(17)	(74)	6	-	12	-	49	(24)
Capital contributions	-	9	5	-	-	-	(1)	13
Acquisition	-	-	-	-	-	-	21	21
Distributions	(8)	(63)	(230)	(6)	(127)	-	(4)	(438)
Other	-	-	-	-	-	-	34	34
As at September 30, 2018	\$ 831	\$ 1,553	\$ 1,660	\$ 143	\$ 1,676	\$ 9	\$ 174	\$ 6,046
Interests held by third parties	75-80%	50-60%	23-71%	25%	53%	0.5%	21-50%	

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

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

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

Distributions

The composition of the distributions are presented in the following table:

(MILLIONS)	Three months ended Sep 30		Nine months ended Sep 30	
	2018	2017	2018	2017
General partnership interest in a holding subsidiary held by Brookfield	\$ 1	\$ 2	\$ 4	\$ 4
Incentive distribution	10	7	30	22
	\$ 11	\$ 9	\$ 34	\$ 26
Participating non-controlling interests - in a holding subsidiary - Redeemable/Exchangeable units held by Brookfield	\$ 64	\$ 60	\$ 192	\$ 183
	\$ 75	\$ 69	\$ 226	\$ 209

Preferred equity

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

(MILLIONS, EXCEPT AS NOTED)	Shares outstanding	Cumulative dividend rate (%)	Earliest permitted redemption date	Dividends declared for the nine months ended September 30		Carrying value as at	
				2018	2017	Sep 30 2018	Dec 31 2017
Series 1 (C\$136)	5.45	3.36	Apr 2020	\$ 3	\$ 3	\$ 105	\$ 108
Series 2 (C\$113) ⁽¹⁾	4.51	4.17	Apr 2020	3	2	87	90
Series 3 (C\$249)	9.96	4.40	Jul 2019	6	6	193	197
Series 5 (C\$103)	4.11	5.00	Apr 2018	3	3	80	82
Series 6 (C\$175)	7.00	5.00	Jul 2018	5	5	135	139
	31.03			\$ 20	\$ 19	\$ 600	\$ 616

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

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

Class A Preference Shares – Normal Course Issuer Bid

In June 2018, the TSX accepted notice of BRP Equity's intention to renew the normal course issuer bid in connection with its outstanding Class A Preference Shares for another year to June 26, 2019, or earlier should the repurchases be completed prior to such date. Under this normal course issuer bid, it is permitted to repurchase up to 10% of the total public float for each respective series of the Class A Preference Shares. Unitholders may receive a copy of the notice, free of charge, by contacting Brookfield Renewable. No shares have been repurchased as of September 30, 2018.

10. PREFERRED LIMITED PARTNERS' EQUITY

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

(MILLIONS, EXCEPT AS NOTED)	Shares outstanding	Cumulative distribution rate (%)	Earliest permitted redemption date	Distributions declared for the nine months ended September 30		Carrying value as at	
				2018	2017	Sep 30 2018	Dec 31 2017
Series 5 (C\$72)	2.89	5.59	Apr 2018	\$ 3	\$ 3	\$ 49	\$ 49
Series 7 (C\$175)	7.00	5.50	Jan 2021	6	6	128	128
Series 9 (C\$200)	8.00	5.75	Jul 2021	6	6	147	147
Series 11 (C\$250)	10.00	5.00	Apr 2022	7	6	187	187
Series 13 (C\$250)	10.00	5.00	Apr 2023	7	-	196	-
	37.89			\$ 29	\$ 21	\$ 707	\$ 511

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

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

As at September 30, 2018, none of the Class A, Series 5 Preferred Limited Partnership Units have been redeemed.

11. LIMITED PARTNERS' EQUITY

Limited partners' equity

As at September 30, 2018, 180,328,344 LP Units were outstanding (December 31, 2017: 180,388,361) including 56,068,944 (December 31, 2017: 56,068,944) held by Brookfield. Brookfield owns all general partnership interests in Brookfield Renewable representing a 0.01% interest.

During the three and nine months ended September 30, 2018, 63,653 and 221,342 LP Units, respectively (2017: 72,948 and 229,553 LP Units) were issued under the distribution reinvestment plan at a total cost of \$2 million and \$7 million, respectively (2017: \$2 million and \$7 million).

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

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

In December 2017, Brookfield Renewable renewed its normal course issuer bid in connection with its LP Units. Under this normal course issuer bid Brookfield Renewable is permitted to repurchase up to 9 million LP Units, representing approximately 5% of the issued and outstanding LP Units, for capital management purposes. The bid will expire on December 28, 2018, or earlier should Brookfield Renewable complete its repurchases prior to such date. There were no LP Units repurchased during the three months ended September 30, 2018. During the nine months ended September 30, 2018, 281,359 LP Units were repurchased at a total cost of \$8 million.

Distributions

The composition of the distributions are presented in the following table:

(MILLIONS)	Three months ended Sep 30		Nine months ended Sep 30	
	2018	2017	2018	2017
Brookfield	\$ 27	\$ 27	\$ 82	\$ 75
External LP Unitholders	61	59	184	168
	\$ 88	\$ 86	\$ 266	\$ 243

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

12. GOODWILL

The following table provides a reconciliation of goodwill:

(MILLIONS)	Notes	Total
Balance, as at December 31, 2017		\$ 901
Acquired through business acquisition	2	27
Transfer to Assets held for sale	3	(22)
Foreign exchange		(1)
Balance, as at September 30, 2018		\$ 905

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

13. EQUITY-ACCOUNTED INVESTMENTS

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

(MILLIONS)	Principal place of business	Ownership interest (%)	Carrying value as at	
			Sept 30 2018	Dec 31 2017
FHH (Guernsey) Limited	Europe	25	\$ 238	\$ 245
TerraForm Power, Inc. ⁽¹⁾	United States, Canada, Europe	30	606	212
Bear Swamp Power Co. L.L.C.	United States	50	184	173
Galera Centrais Eletricas S.A.	Brazil	50	23	28
Pingston Power Inc.	Canada	50	55	57
Brookfield Infrastructure Fund II Investees	United States, Europe	14 - 50	5	6
			\$ 1,111	\$ 721

⁽¹⁾ The fair value of the investment based on quoted market price of the shares as of September 30, 2018 was \$723 million (December 31, 2017: \$278 million).

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

(MILLIONS)	Total
As at December 31, 2017	\$ 721
Investment in TerraForm Power Inc. ⁽¹⁾	420
Share of net income	12
Dividends declared	(27)
Foreign exchange translation and other	(15)
As at September 30, 2018	\$ 1,111

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

14. CASH AND CASH EQUIVALENTS

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

		Sep 30	Dec 31
(MILLIONS)		2018	2017
Cash	\$	202	\$ 790
Short-term deposits		111	9
	\$	313	\$ 799

15. RESTRICTED CASH

Brookfield Renewable's restricted cash is as follows:

		Sep 30	Dec 31
(MILLIONS)		2018	2017
Operations	\$	173	\$ 195
Credit obligations		77	85
Capital expenditures and development projects		7	4
Total		257	284
Less: non-current		(46)	(103)
Current	\$	211	\$ 181

16. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

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

		Sep 30	Dec 31
(MILLIONS)		2018	2017
Trade receivables	\$	339	\$ 360
Other short-term receivables		110	82
Prepays and others		120	112
	\$	569	\$ 554

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

17. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	Sep 30	Dec 31
(MILLIONS)	2018	2017
Operating accrued liabilities	\$ 251	\$ 271
Interest payable on corporate and subsidiary borrowings	103	64
Accounts payable	83	117
Deferred consideration	29	35
LP Unitholders' distributions, preferred limited partnership unit distributions and preferred dividends payable ⁽¹⁾	31	29
Other	19	26
	\$ 516	\$ 542

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

18. COMMITMENTS, CONTINGENCIES AND GUARANTEES

Commitments

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

The remaining development project costs on one Brazilian hydroelectric project totaling 19 MW and one wind project in Europe totaling 19 MW are expected to be \$40 million. The projects are expected to be fully operational between 2018 and 2019.

Contingencies

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

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

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

Letters of credit issued by Brookfield Renewable along with institutional investors and its subsidiaries were as at the following dates:

	Sep 30		Dec 31	
(MILLIONS)	2018		2017	
Brookfield Renewable along with institutional investors	\$	62	\$	76
Brookfield Renewable's subsidiaries		340		468
	\$	402	\$	544

Guarantees

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

19. RELATED PARTY TRANSACTIONS

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

Brookfield Asset Management has provided a \$400 million committed unsecured revolving credit facility maturing in December 2018 and the interest rate applicable on the draws is LIBOR plus up to 2%. As at September 30, 2018, \$272 million of the total amount had been drawn. During the year, Brookfield Asset Management had also placed funds on deposit with Brookfield Renewable in the amount of \$200 million. The funds on deposit have since been paid back in full including any interest that had been accrued. The interest expense on the deposit and draws from the credit facility for the three and nine months ended September 30, 2018 totaled \$2 million and \$7 million, respectively (2017: \$1 million and \$2 million). Subsequent to September 30, 2018, the outstanding \$272 million draw on the unsecured revolving credit facility, plus accrued interest, was repaid to Brookfield Asset Management.

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

(MILLIONS)	Three months ended Sep 30		Nine months ended Sep 30	
	2018	2017	2018	2017
Revenues				
Power purchase and revenue agreements	\$ 101	\$ 132	\$ 375	\$ 458
Wind levelization agreement	2	3	6	6
	\$ 103	\$ 135	\$ 381	\$ 464
Direct operating costs				
Energy purchases	\$ (3)	\$ (1)	\$ (8)	\$ (6)
Energy marketing fee	(6)	(6)	(18)	(18)
Insurance services	(6)	(4)	(19)	(14)
	\$ (15)	\$ (11)	\$ (45)	\$ (38)
Interest expense - borrowings	\$ (2)	\$ (1)	\$ (7)	\$ (2)
Management service costs	\$ (22)	\$ (21)	\$ (64)	\$ (58)

20. SUBSIDIARY PUBLIC ISSUERS

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

(MILLIONS)	Brookfield Renewable ⁽¹⁾	BRP Equity	Finco	Holding Entities ⁽¹⁾⁽²⁾	Other Subsidiaries ⁽¹⁾⁽³⁾	Consolidating adjustments ⁽⁴⁾	Brookfield Renewable consolidated
As at September 30, 2018:							
Current assets	\$ 33	\$ 411	\$ 1,883	\$ 507	\$ 3,767	\$ (4,637)	\$ 1,964
Long-term assets	4,186	253	1	20,000	28,251	(24,714)	27,977
Current liabilities	40	7	179	3,663	2,815	(4,637)	2,067
Long-term liabilities	-	-	1,698	840	12,638	(656)	14,520
Participating non-controlling interests - in operating subsidiaries	-	-	-	-	6,046	-	6,046
Participating non-controlling interests -in a holding - Redeemable/Exchangeable units held by Brookfield	-	-	-	2,489	-	-	2,489
Preferred equity	-	600	-	-	-	-	600
Preferred limited partners' equity	707	-	-	718	-	(718)	707
As at December 31, 2017:							
Current assets	\$ 32	\$ 412	\$ 1,691	\$ 525	\$ 2,816	\$ (3,810)	\$ 1,666
Long-term assets	4,483	262	-	20,142	29,508	(25,157)	29,238
Current liabilities	43	7	180	3,024	3,071	(3,811)	2,514
Long-term liabilities	-	-	1,505	693	12,670	(760)	14,108
Participating non-controlling interests - in operating subsidiaries	-	-	-	-	6,298	-	6,298
Participating non-controlling interests -in a holding - Redeemable/Exchangeable units held by Brookfield	-	-	-	2,843	-	-	2,843
Preferred equity	-	616	-	-	-	-	616
Preferred limited partners' equity	511	-	-	516	-	(516)	511

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

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

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

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

	Brookfield						
(MILLIONS)	Brookfield Renewable ⁽¹⁾	BRP Equity	Finco	Holding Entities ⁽¹⁾⁽²⁾	Other Subsidiaries ⁽¹⁾⁽³⁾	Consolidating adjustments ⁽⁴⁾	Brookfield Renewable consolidated
For the three months ended							
September 30, 2018							
Revenues	\$ -	\$ -	\$ -	\$ 1	\$ 673	\$ -	\$ 674
Net income (loss)	(22)	-	-	(182)	205	16	17
For the three months ended							
September 30, 2017							
Revenues	\$ -	\$ -	\$ -	\$ -	\$ 608	\$ -	\$ 608
Net income (loss)	(16)	5	-	(118)	151	(54)	(32)
For the nine months ended							
September 30, 2018							
Revenues	\$ -	\$ -	\$ -	\$ 2	\$ 2,200	\$ -	\$ 2,202
Net income (loss)	1	7	-	(172)	644	(338)	142
For the nine months ended							
September 30, 2017							
Revenues	\$ -	\$ -	\$ -	\$ -	\$ 1,968	\$ -	\$ 1,968
Net income (loss)	27	6	-	(207)	521	(267)	80

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

(2) Includes the Holding Entities.

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

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

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

21. SUBSEQUENT EVENTS

On October 9, 2018, Brookfield Renewable acquired a 23 MW Irish wind portfolio for total consideration of £22 million (\$29 million). On October 25, 2018, Brookfield Renewable completed a £29 million (\$37 million) financing associated with the acquisition. The loan bears an interest rate of 3.55% and matures in September 2036.

On October 30, 2018, Brookfield Renewable completed the sale of a 25% non-controlling interest in a 413 MW contracted portfolio of three Canadian hydroelectric assets for proceeds of approximately C\$390 million (\$300 million) to third-party investors. In connection with this transaction, Brookfield Renewable and Brookfield Asset Management have amended or agreed to amend certain related party agreements, and agreed to transfer certain third party contracts and internalize Brookfield Asset Management's North American energy marketing business. These changes were designed to be effected on a value neutral basis to Brookfield Renewable and Brookfield Asset Management. The amended agreements, including related party power purchase agreements described in Note 27 – Related Party Transactions in our 2017 audited consolidated financial statements, are as follows:

GLPL and MPT Contract Amendment

Historically, Brookfield Asset Management provided a guaranteed price for the energy generated by Great Lakes Power Limited ("GLPL") and Mississagi Power Trust ("MPT") subject to inflation adjustments and other terms.

Under the amended agreements (“GLPL and MPT Contract Amendment”), which are effective October 30, 2018, the following changes have been made:

- Brookfield Asset Management will pay Brookfield Renewable estimated average prices of C\$100 per MWh and C\$127 per MWh for energy generated by GLPL and MPT, respectively, as compared to fixed prices of C\$86 per MWh and C\$106 per MWh in the subsequent period under the previous related party contracts
- Annual inflation adjustment is a 3% fixed rate as compared to 40% and 20% of the Consumer Price Index (“CPI”) in the previous year for GLPL and MPT, respectively
- Contract termination is December 1, 2029. Brookfield Renewable will have the option to extend a fixed price commitment to GLPL from Brookfield Asset Management through 2044 at a price of C\$60 per megawatt-hour

Energy Marketing Internalization

Brookfield Renewable and Brookfield Asset Management have also entered into an agreement to fully internalize all energy marketing capabilities in North America into Brookfield Renewable, eliminating all future marketing fees paid to Brookfield Asset Management. The related party power purchase agreements being transferred to Brookfield Renewable include those related to the following facilities:

- Certain power facilities in Maine and New Hampshire held by Great Lakes Holding America
- Lièvre Power in Quebec
- Two facilities of Hydro Pontiac Inc. in Quebec

In addition, certain existing commodity swap arrangements with Bear Swamp Power Co. L.L.C., a related party of Brookfield Renewable and owner of a pumped-storage facility in the United States will also be transferred to Brookfield Renewable. These swap arrangements guarantee a fixed price for on-peak and off-peak power to operate the pumped-storage facility and expire in April 2021.

Certain third-party power purchase agreements will also be transferred to Brookfield Renewable as part of the Energy Market Internalization of Brookfield Asset Management’s North American energy marketing business.

The Energy Marketing Internalization is expected to close in the first half of 2019, subject to the satisfaction of closing conditions.

Changes to Energy Revenue Agreement

In exchange for the GLPL and MPT Contract Amendment and the Energy Marketing Internalization, Brookfield Asset Management and Brookfield Renewable agreed to effectively amend the Energy Revenue agreement between Brookfield Power U.S. Holdings America Co. and Brookfield Asset Management.

The Energy Revenue Agreement requires Brookfield Asset Management to pay an agreed upon price subject to inflation adjustments and other terms for the energy generated by certain of Brookfield Renewable’s facilities in the United States. In consideration for the GLPL and MPT Contract Amendment and the Energy Marketing Internalization, the price guaranteed by Brookfield Asset Management will be reduced by \$3 per MWh per year from 2021 to 2025 and then further reduced by \$5.27 per MWh in 2026. In addition, the term of the Energy Revenue Agreement has been reduced and will terminate in 2046.

The independent directors of Brookfield Renewable reviewed and approved each of the GLPL and MPT Contract Amendment, the Energy Marketing Internalization and the Changes to the Energy Revenue Agreement, with reliance on the advice of independent financial advisors and independent legal counsel.

BROOKFIELD RENEWABLE PARTNERS L.P.

bep.brookfield.com

NYSE: BEP

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