

Brookfield Renewable



Partners L.P.

Q1 2020 MANAGEMENT'S DISCUSSION
AND ANALYSIS

Management's Discussion and Analysis

For the three months ended March 31, 2020

This Management's Discussion and Analysis for the three months ended March 31, 2020 is provided as of May 6, 2020. Unless the context indicates or requires otherwise, the terms "Brookfield Renewable", "we", "us", and "our" mean Brookfield Renewable Partners L.P. and its controlled entities. The ultimate parent of Brookfield Renewable is Brookfield Asset Management Inc. ("Brookfield Asset Management"). Brookfield Asset Management and its subsidiaries, other than Brookfield Renewable, are also individually and collectively referred to as "Brookfield" in this Management's Discussion and Analysis.

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

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

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

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

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

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PART 1 – Q1 2020 HIGHLIGHTS

THREE MONTHS ENDED MARCH 31
(MILLIONS, EXCEPT AS NOTED)

Operational information

	2020	2019
Capacity (MW)	19,272	17,438
Total generation (GWh)		
Long-term average generation	14,151	13,493
Actual generation	14,264	14,125
Proportionate generation (GWh)		
Long-term average generation	6,717	6,698
Actual generation	7,164	7,246
Average revenue (\$ per MWh)	76	76

Selected financial information⁽¹⁾

Net income attributable to Unitholders	\$	18	\$	43
Basic income per LP Unit		0.06		0.14
Consolidated Adjusted EBITDA ⁽²⁾		618		652
Proportionate Adjusted EBITDA ⁽²⁾		391		395
Funds From Operations ⁽²⁾		217		227
Funds From Operations per Unit ⁽¹⁾⁽²⁾		0.70		0.73
Distribution per LP Unit		0.54		0.52

⁽¹⁾ For the three months ended March 31, 2020, weighted average LP Units, Redeemable/Exchangeable partnership units and GP interest totaled 311.3 million (2019: 311.1 million).

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

(MILLIONS, EXCEPT AS NOTED)

Liquidity and Capital Resources

	March 31, 2020	December 31, 2019
Available liquidity ⁽¹⁾	\$ 3,009	\$ 2,695
Debt to capitalization – Corporate ⁽¹⁾	18%	16%
Debt to capitalization – Consolidated ⁽¹⁾	34%	32%
Borrowings non-recourse to Brookfield Renewable on a proportionate basis ⁽¹⁾	78%	77%
Floating rate debt exposure on a proportionate basis ⁽¹⁾⁽²⁾	5%	5%
Medium term notes ⁽¹⁾		
Average debt term to maturity	10 years	10 years
Average interest rate	4.1%	4.1%
Non-recourse borrowings on a proportionate basis		
Average debt term to maturity	10 years	10 years
Average interest rate	5.1%	5.1%

⁽¹⁾ Available liquidity and medium term notes are adjusted to reflect the issuance of C\$175 million of Series 11 (\$124 million) and C\$175 million of Series 12 (\$124 million) medium term notes on April 3, 2020.

⁽²⁾ Excludes 5% (2019: 7%) floating rate debt exposure of certain foreign regions outside of North America and Europe due to the high cost of hedging associated with those regions, adjusted for the medium term notes issuance on April 3, 2020.

Operations

We delivered Funds From Operations of \$217 million or \$0.70 on a per unit basis driven by:

- Strong operational performance and above average resource
- Higher realized prices as we benefited from our commercial and re-contracting initiatives;
- Higher margins due to cost-reduction initiatives; and
- Unfavorable foreign exchange movement due to the strengthening of the U.S. dollar

After deducting non-cash depreciation, net income attributable to Unitholders for the three months ended March 31, 2020 was \$18 million or \$0.06 per LP Unit, compared to \$43 million or \$0.14 per LP Unit in the prior year.

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

- In Colombia, we contracted 157 GWh/year, including individual contracts with up to ten years in duration
- In Brazil, we entered into eight new contracts to deliver 155 GWh/year, including individual contracts with up to three years in duration

Liquidity and Capital Resources

Further enhanced financial flexibility:

- Liquidity position remains robust, with over \$3 billion of total available liquidity, no material maturities over the next five years and a strong investment grade balance sheet (BBB+)
- Bolstered our liquidity and sourced diverse funding levers, by executing on \$1.4 billion of investment grade financings and \$94 million (\$29 million net to Brookfield Renewable) of capital recycling initiatives:
 - Secured over \$920 million from non-recourse financings during the quarter
 - Issued our inaugural green perpetual preferred units for \$200 million at 5.25% in the U.S. market and subsequent to quarter end, completed the issuance of approximately C\$350 million of ten-year corporate green bonds at approximately 3.5%
 - Completed the sale of our solar assets in Thailand for total proceeds of \$94 million (\$29 million net to Brookfield Renewable)

Growth and Development

We recently agreed to merge our subsidiary, Terraform Power, into Brookfield Renewable, on an all stock basis. The merger will simplify our structure, diversify our holdings, and strengthen our business in North America and Europe. It will increase our public float of shares by approximately \$1.5 billion and will facilitate the issuance of Brookfield Renewable Corporation shares which should help current shareholders who may prefer to hold a C-Corp share and potentially attract new shareholders. The transaction is subject to customary closing conditions, including the non-waivable approval of TERP shareholders representing a majority of the outstanding shares of TERP Class A common stock not owned by Brookfield Renewable and its affiliates.

Completed the commissioning of 184 MW of development projects (8 MW wind project in Europe, 170 MW solar projects in North America, and 6 MW distributed generation solar capacity in China).

Continued to progress our development pipeline:

- Continued to advance the construction of 831 MW of hydroelectric, wind, pumped storage and rooftop solar development projects. These projects are expected to be commissioned between 2020 and 2022 and to generate annualized Funds From Operations net to Brookfield Renewable of \$21 million.

PART 2 – FINANCIAL PERFORMANCE REVIEW ON CONSOLIDATED INFORMATION

The following table reflects key financial data for the three months ended March 31:

(MILLIONS, EXCEPT AS NOTED)		2020	2019
Revenues	\$	792	\$ 825
Direct operating costs		(261)	(254)
Management service costs		(31)	(21)
Interest expense		(162)	(173)
Share of (loss) earnings from equity-accounted investments		(16)	32
Foreign exchange and unrealized financial instrument gain (loss)		20	(18)
Depreciation		(206)	(200)
Income tax expense		(18)	(44)
Net income attributable to Unitholders	\$	18	\$ 43
		Average FX rates to USD	
C\$		1.34	1.33
€		0.91	0.88
R\$		4.46	3.77
£		0.78	0.77
COP		3,533	3,137

Variance Analysis For The Three Months Ended March 31, 2020

Revenues totaling \$792 million represents a decrease of \$33 million over the prior year. On a same store, constant currency basis, revenues increased \$20 million, primarily due to higher average realized revenue per MWh which benefited from inflation indexation, re-contracting initiatives and favorable generation mix. Recently acquired and commissioned facilities contributed 247 GWh and \$17 million to revenues which was more than offset by recently completed asset sales that reduced revenues by 211 GWh and \$29 million to revenues.

The strengthening of the U.S. dollar relative to the prior period, primarily against the Brazilian reais and Colombian peso, reduced revenues by approximately \$41 million, which was partially offset by a \$30 million favorable foreign exchange impact on our operating, interest and depreciation expense for the quarter.

Direct operating costs totaling \$261 million represents an increase of \$7 million over the prior year due to cost-saving initiatives across our business and the impact of foreign exchange movements noted above being more than offset by higher power purchases in Colombia, which are passed through to our customers, and additional costs due to growth from our recently acquired and commissioned facilities.

Management service costs totaling \$31 million represents an increase of \$10 million over the prior year due to the growth of our business.

Interest expense totaling \$162 million represents a decrease of \$11 million over the prior year due to the benefit of recent refinancing activities that reduced our average cost of borrowing and the foreign exchange movements noted above.

Share of loss from equity-accounted investments totaling \$16 million compared to earnings from equity-accounted investments totaling \$32 million in the prior year represents a decrease of \$48 million driven by higher non-cash depreciation expense and deferred tax expenses, as the prior year benefited from a deferred tax recovery relating to the recognition of operating loss carryforwards.

Income tax expense of \$18 million represents a decrease of \$26 million due primarily to a decrease in net income before income taxes due to the above noted items.

Net income attributable to Unitholders totaling \$18 million represents a decrease of \$25 million over the prior year due to the above noted items.

PART 3 – ADDITIONAL CONSOLIDATED FINANCIAL INFORMATION

SUMMARY CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

(MILLIONS)	March 31, 2020	December 31, 2019
Assets held for sale	\$ 190	\$ 352
Current assets	1,564	1,474
Equity-accounted investments	1,791	1,889
Property, plant and equipment	27,873	30,714
Total assets	32,663	35,691
Liabilities directly associated with assets held for sale	95	137
Corporate borrowings	2,002	2,100
Non-recourse borrowings	8,269	8,904
Deferred income tax liabilities	4,095	4,537
Total liabilities and equity	32,663	35,691
	FX rates to USD	
C\$	1.41	1.30
€	0.91	0.89
R\$	5.20	4.03
£	0.81	0.75
COP	4,065	3,277

Our balance sheet remains strong and reflects the stable nature of the business and our continued growth.

Assets held for sale

Assets held for sale totaled \$190 million as at March 31, 2020 compared to \$352 million as at December 31, 2019. The \$162 million decrease was primarily attributable to the completed sale of our solar portfolio in Thailand during the period. The remaining assets held for sale at March 31, 2020 correspond to a 33 MW solar project in South Africa and 19 MW of solar projects in Malaysia.

Property, plant and equipment

Property, plant and equipment totaled \$27.9 billion as at March 31, 2020 compared to \$30.7 billion as at December 31, 2019. The \$2.8 billion decrease was primarily attributable to the impact of foreign exchange due to the strengthening of the U.S. dollar, which decreased property, plant and equipment by \$2.7 billion and depreciation expense associated with property, plant and equipment of \$206 million. The decrease was partially offset by the acquisition of 47 MW of operating solar capacity in India, 278 MW of development solar assets in Brazil and our continued investments in the development of our other power generating assets and sustaining capital expenditures, which increased property, plant and equipment by \$97 million in aggregate.

Corporate borrowings

Corporate borrowings totaled \$2.0 billion as at March 31, 2020 compared to \$2.1 billion as at December 31, 2019. The decrease is primarily attributable to the foreign exchange impact of the strengthening United States dollar against the Canadian dollar.

Subsequent to quarter-end, we completed the issuance of C\$350 million (\$248 million) of ten-year corporate green bonds at approximately 3.5%.

RELATED PARTY TRANSACTIONS

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

Brookfield Renewable sells electricity to Brookfield through long-term power purchase agreements, or provides fixed price guarantees to provide contracted cash flow and reduce Brookfield Renewable's exposure to electricity prices in deregulated power markets.

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

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

Brookfield Renewable participates with institutional investors in Brookfield Americas Infrastructure Fund, Brookfield Infrastructure Fund II, Brookfield Infrastructure Fund III, Brookfield Infrastructure Fund IV and Brookfield Infrastructure Debt Fund ("Private Funds"), each of which is a Brookfield sponsored fund, and in connection therewith. Brookfield Renewable, together with our institutional investors, has access to short-term financing using the Private Funds' credit facilities.

Brookfield Asset Management has provided a \$400 million committed unsecured revolving credit facility maturing in December 2020 and the interest rate applicable on the draws is LIBOR plus up to 2%. During the current period there were no draws on the committed unsecured revolving credit facility provided by Brookfield Asset Management. Brookfield Asset Management may from time to time place funds on deposit with Brookfield Renewable which are repayable on demand including any interest accrued. There were no funds placed on deposit with Brookfield Renewable in the first quarter of 2020 (2019: \$600 million, of which \$245 million was repaid during the period). There was no interest expense on the Brookfield Asset Management revolving credit facility or deposit for the three months ended March 31, 2020 (2019: \$3 million).

The following table reflects the related party agreements and transactions in the unaudited interim consolidated statements of income for the three months ended March 31, 2020:

(MILLIONS)	2020	2019
Revenues		
Power purchase and revenue agreements.....	\$ 96	\$ 159
Wind levelization agreement.....	—	1
	\$ 96	\$ 160
Direct operating costs		
Energy purchases	\$ —	\$ (3)
Energy marketing fee	—	(6)
Insurance services ⁽¹⁾	(6)	(7)
	\$ (6)	\$ (16)
Interest expense		
Borrowings	\$ —	\$ (3)
Contract balance accretion	(4)	(2)
	\$ (4)	\$ (5)
Management service costs	\$ (31)	\$ (21)

⁽¹⁾ Insurance services are paid to a subsidiary of Brookfield Asset Management that brokers external insurance providers on behalf of Brookfield Renewable. The fees paid to the subsidiary of Brookfield Asset Management for the three months ended March 31, 2020 were less than \$1 million (2019: less than \$1 million).

EQUITY

General partnership interest in a holding subsidiary held by Brookfield

Brookfield, as the owner of the 1% GP interest in BRELP, is entitled to regular distributions plus an incentive distribution based on the amount by which quarterly LP Unit distributions exceed specified target levels. To the extent that LP Unit distributions exceed \$0.375 per LP Unit per quarter, the incentive is 15% of distributions above this threshold. To the extent that LP Unit distributions exceed \$0.4225 per LP Unit per quarter, the incentive distribution is equal to 25% of distributions above this threshold. Incentive distributions of \$16 million were declared during the three months ended March 31, 2020 (2019: \$13 million).

Preferred limited partners' equity

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

The preferred limited partners' equity units do not have a fixed maturity date and are not redeemable at the option of the holders. As at March 31, 2020, none of the preferred limited partners' equity units have been redeemed by Brookfield Renewable.

In July 2019, Brookfield Renewable commenced a normal course issuer bid in connection with the outstanding Class A Preferred Limited Partnership Units. Under this normal course issuer bid, Brookfield Renewable is permitted to repurchase up to 10% of the total public float for each respective series of its Class A Preference Units. Repurchases were authorized to commence on July 9, 2019 and will terminate on July 8, 2020, or earlier should Brookfield Renewable complete its repurchases prior to such date.

Limited partners' equity

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

During the three months ended March 31, 2020, Brookfield Renewable issued 39,178 LP Units (2019: 50,499 LP Units) under the distribution reinvestment plan at a total cost of \$1 million (2019: \$2 million).

In December 2019, Brookfield Renewable commenced a normal course issuer bid in connection with its LP Units. Under this normal course issuer bid Brookfield Renewable is permitted to repurchase up to 8.9 million LP Units, representing approximately 5% of the issued and outstanding LP Units, for capital management purposes. The bid will expire on December 11, 2020, or earlier should Brookfield Renewable complete its repurchases prior to such date. There were no LP units repurchased during the three months ended March 31, 2020 and 2019.

PART 4 – FINANCIAL PERFORMANCE REVIEW ON PROPORTIONATE INFORMATION

SEGMENTED DISCLOSURES

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

PROPORTIONATE RESULTS FOR THE THREE MONTHS ENDED MARCH 31

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

	(GWh)				(MILLIONS)							
	Actual Generation		LTA Generation		Revenues		Adjusted EBITDA		Funds From Operations		Net Income (Loss)	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Hydroelectric												
North America	3,722	3,849	3,233	3,300	\$ 265	\$ 262	\$ 198	\$ 195	\$ 156	\$ 152	\$ 76	\$ 67
Brazil	1,227	1,090	988	980	61	65	47	49	41	40	25	17
Colombia	709	765	798	798	60	62	36	38	25	26	23	20
	5,658	5,704	5,019	5,078	386	389	281	282	222	218	124	104
Wind												
North America	831	850	944	960	60	63	48	48	29	29	(12)	4
Europe	221	274	253	308	22	28	13	20	11	17	(11)	11
Brazil	68	106	126	119	4	7	3	5	1	2	(3)	(3)
Asia	90	39	100	38	6	2	5	1	3	1	2	(1)
	1,210	1,269	1,423	1,425	92	100	69	74	44	49	(24)	11
Solar	240	199	275	195	49	38	36	32	18	18	(10)	9
Storage & Other	56	74	—	—	18	24	8	11	6	7	1	—
Corporate	—	—	—	—	—	—	(3)	(4)	(73)	(65)	(73)	(81)
Total	7,164	7,246	6,717	6,698	\$ 545	\$ 551	\$ 391	\$ 395	\$ 217	\$ 227	\$ 18	\$ 43

HYDROELECTRIC OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for hydroelectric operations for the three months ended March 31:

(MILLIONS, EXCEPT AS NOTED)	2020	2019
Generation (GWh) – LTA	5,019	5,078
Generation (GWh) – actual	5,658	5,704
Revenue	\$ 386	\$ 389
Other income	7	2
Direct operating costs	(112)	(109)
Adjusted EBITDA	281	282
Interest expense	(50)	(55)
Current income taxes	(9)	(9)
Funds From Operations	\$ 222	\$ 218
Depreciation	(84)	(82)
Deferred taxes and other	(14)	(32)
Net income	\$ 124	\$ 104

The following table presents our proportionate results by geography for hydroelectric operations for the three months ended March 31:

	Actual Generation (GWh)		Average revenue per MWh		Adjusted EBITDA		Funds From Operations		Net Income	
(MILLIONS, EXCEPT AS NOTED)	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
North America										
United States	3,064	3,080	\$ 70	\$ 67	\$ 158	\$ 149	\$ 129	\$ 118	\$ 68	\$ 52
Canada	658	769	75	75	40	46	27	34	8	15
	3,722	3,849	71	68	198	195	156	152	76	67
Brazil	1,227	1,090	50	59	47	49	41	40	25	17
Colombia	709	765	84	81	36	38	25	26	23	20
Total	5,658	5,704	\$ 68	\$ 68	\$ 281	\$ 282	\$ 222	\$ 218	\$ 124	\$ 104

North America

Funds From Operations at our North American business were \$156 million versus \$152 million in the prior year as we benefited from strong generation, both periods were above long-term average (15% and 17%, respectively), and strong average realized revenue per MWh, which benefited from inflation indexation and generation mix. Funds from Operations and generation were also impacted by the partial sale of a 25% interest in certain of our Canadian assets (\$3 million and 64 GWh).

Net income attributable to Unitholders increased \$9 million over the prior year primarily due to the above noted increase to Funds From Operations.

Brazil

Funds From Operations at our Brazilian business were \$41 million versus \$40 million in the prior year. On a local currency basis, Funds From Operations increased by 21% due to stronger generation. Average realized prices were in line with prior year as higher contracted pricing as a result of inflation indexation and re-contracting initiatives was offset by the impact of lower spot prices realized on volumes generated that were above long-term average levels. The increase was partially offset by the weakening of the Brazilian reais versus the U.S. dollar.

Net income attributable to Unitholders increased \$8 million over the prior year driven by the above noted increase in Funds From Operations and lower depreciation expense due to the weakening of the Brazilian reais versus the U.S. dollar.

Colombia

Funds From Operations at our Colombian business were \$25 million versus \$26 million in the prior year. On a local currency basis, Funds From Operations increased 8% due to our cost-reduction initiatives and a 17% increase in average revenue per MWh as a result of inflation indexation, re-contracting initiatives and favorable market prices realized on our uncontracted volumes, which were impacted by low system-wide hydrology (69% of long-term average). The increase was partially offset by the weakening of the Colombian peso versus the U.S. dollar.

Net income attributable to Unitholders increased by \$3 million over the prior year as the above noted decrease in Funds From Operations was more than offset by unrealized foreign exchange hedging gains.

WIND OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for wind operations for the three months ended March 31:

(MILLIONS, EXCEPT AS NOTED)	2020	2019
Generation (GWh) – LTA	1,423	1,425
Generation (GWh) – actual	1,210	1,269
Revenue	\$ 92	\$ 100
Other income	2	2
Direct operating costs	(25)	(28)
Adjusted EBITDA	69	74
Interest expense	(24)	(24)
Current income taxes	(1)	(1)
Funds From Operations	44	49
Depreciation	(60)	(55)
Deferred taxes and other	(8)	17
Net (loss) income	\$ (24)	\$ 11

The following table presents our proportionate results by geography for wind operations for the three months ended March 31:

	Actual Generation (GWh)		Average revenue per MWh		Adjusted EBITDA		Funds From Operations		Net Income (Loss)	
(MILLIONS, EXCEPT AS NOTED)	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
North America										
United States	492	522	\$ 60	\$ 63	\$ 22	\$ 22	\$ 10	\$ 9	\$ (13)	\$ 2
Canada	339	328	89	91	26	26	19	20	1	2
	831	850	72	74	48	48	29	29	(12)	4
Europe	221	274	100	104	13	20	11	17	(11)	11
Brazil	68	106	64	69	3	5	1	2	(3)	(3)
Asia	90	39	68	51	5	1	3	1	2	(1)
Total	1,210	1,269	\$ 76	\$ 80	\$ 69	\$ 74	\$ 44	\$ 49	\$ (24)	\$ 11

North America

Funds From Operations at our North American business were \$29 million, consistent with prior year, as the benefits from cost-reduction initiatives were offset by the impact of lower same store generation relative to prior year and lower average revenue per MWh due to generation mix.

Net loss attributable to Unitholders was \$12 million versus net income of \$4 million in the prior year primarily due to a deferred tax recovery that benefited the prior year relating to the recognition of operating loss carryforwards.

Europe

Funds From Operations at our European business were \$11 million versus \$17 million in the prior year due to the sale of our Northern Ireland and Portuguese assets (\$4 million and 53 GWh). On a same store basis, Funds From Operations decreased by \$2 million due to a commercial initiative that benefited the prior year and the timing of maintenance activities.

Net loss attributable to Unitholders was \$11 million versus net income \$11 million in the prior year primarily due to the above noted decrease in Funds From Operations and higher unrealized losses on interest rate hedges.

Brazil

Funds From Operations at our Brazilian business were \$1 million versus \$2 million in the prior year as a result of lower generation and the weakening of the Brazilian reais versus the U.S. dollar.

Net loss attributable to Unitholders of \$3 million was consistent with the prior year.

Asia

Funds From Operations at our Asian business were \$3 million versus \$1 million in the prior year, due to the contribution from growth following the acquisition of a 210 MW wind facility in India and a 200 MW wind portfolio in China (\$2 million of Funds From Operations and 56 GWh of generation). On a same store basis, our assets continue to perform in line with plan and consistent with prior year.

Net income attributable to Unitholders was \$2 million versus net loss of \$1 million in the prior year due to the above noted increase in Funds From Operations.

SOLAR OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for solar operations for the three months ended March 31:

(MILLIONS, EXCEPT AS NOTED)	2020	2019
Generation (GWh) – LTA	275	195
Generation (GWh) – actual	240	199
Revenue	\$ 49	\$ 38
Other income	1	1
Direct operating costs	(14)	(7)
Adjusted EBITDA	36	32
Interest expense	(17)	(14)
Current income taxes	(1)	—
Funds From Operations	\$ 18	\$ 18
Depreciation	(22)	(13)
Deferred taxes and other	(6)	4
Net (loss) income	\$ (10)	\$ 9

Funds From Operations at our solar business were \$18 million, consistent with the prior year as the contribution from the acquisition of X-Elio and TerraForm Power's expansion of its distributed generation business (\$2 million and 82 GWh) were offset by the sale of our non-core solar assets.

Net loss attributable to Unitholders at our solar business was \$10 million versus net income of \$9 million in the prior year due to higher depreciation expenses as a result of the growth in our portfolio and a deferred tax recovery that benefited the prior year relating to the recognition of operating loss carryforwards.

STORAGE & OTHER OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for storage and other operations for the three months ended March 31:

(MILLIONS, EXCEPT AS NOTED)	2020	2019
<i>Generation (GWh) – actual</i>	<u>56</u>	<u>74</u>
Revenue	\$ 18	\$ 24
Direct operating costs	<u>(10)</u>	<u>(13)</u>
Adjusted EBITDA	8	11
Interest expense	(2)	(4)
Other	—	—
Funds From Operations	\$ 6	\$ 7
Depreciation	(5)	(6)
Deferred taxes and other	—	(1)
Net income	<u>\$ 1</u>	<u>\$ —</u>

Funds From Operations and net income attributable to unitholders at our storage & other businesses of \$6 million and \$1 million, respectively, was in-line with prior year.

CORPORATE

The following table presents our results for corporate for the three months ended March 31:

(MILLIONS, EXCEPT AS NOTED)	2020	2019
Other income	\$ 2	\$ 2
Direct operating costs	<u>(5)</u>	<u>(6)</u>
Adjusted EBITDA	(3)	(4)
Management service costs	(31)	(21)
Interest expense	(20)	(24)
Distributions on Preferred LP Units and Shares	<u>(19)</u>	<u>(16)</u>
Funds From Operations	\$ (73)	\$ (65)
Deferred taxes and other	—	(16)
Net loss	<u>\$ (73)</u>	<u>\$ (81)</u>

Management service costs totaling \$31 million increased \$10 million compared to the prior year due to the growth of our business.

Distributions attributable to Preferred LP Units and Shares increased \$3 million compared to the prior year primarily due to the \$200 million Series 17 Preferred LP Units, completed in the first quarter of 2020.

RECONCILIATION OF NON-IFRS MEASURES

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

(MILLIONS)	Attributable to Unitholders											Contribution from equity-accounted investments	Attributable to non-controlling interests	As per IFRS financials ⁽¹⁾
	Hydroelectric			Wind										
	North America	Brazil	Colombia	North America	Europe	Brazil	Asia	Solar	Storage & Other	Corporate	Total			
Revenues	265	61	60	60	22	4	6	49	18	—	545	(95)	342	792
Other income	2	3	2	2	—	—	—	1	—	2	12	(2)	—	10
Direct operating costs	(69)	(17)	(26)	(14)	(9)	(1)	(1)	(14)	(10)	(5)	(166)	28	(123)	(261)
Share of Adjusted EBITDA from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	69	8	77
Adjusted EBITDA	198	47	36	48	13	3	5	36	8	(3)	391	—	227	
Management service costs	—	—	—	—	—	—	—	—	—	(31)	(31)	—	—	(31)
Interest expense	(39)	(4)	(7)	(19)	(2)	(1)	(2)	(17)	(2)	(20)	(113)	27	(76)	(162)
Current income taxes	(3)	(2)	(4)	—	—	(1)	—	(1)	—	—	(11)	4	(12)	(19)
Distributions attributable to														
Preferred limited partners equity	—	—	—	—	—	—	—	—	—	(12)	(12)	—	—	(12)
Preferred equity	—	—	—	—	—	—	—	—	—	(7)	(7)	—	—	(7)
Share of interest and cash taxes from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	(31)	(3)	(34)
Share of Funds From Operations attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	(136)	(136)
Funds From Operations	156	41	25	29	11	1	3	18	6	(73)	217	—	—	
Depreciation	(58)	(20)	(6)	(42)	(12)	(4)	(2)	(22)	(5)	(1)	(172)	48	(82)	(206)
Foreign exchange and unrealized financial instruments gain (loss)	18	7	5	(2)	(11)	—	(1)	(5)	1	(13)	(1)	12	9	20
Deferred income tax recovery (expense)	(20)	1	(1)	(2)	1	—	—	(1)	—	16	(6)	5	2	1
Other	(20)	(4)	—	5	—	—	2	—	(1)	(2)	(20)	(6)	18	(8)
Share of earnings from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	(59)	—	(59)
Net loss attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	53	53
Net income (loss) attributable to Unitholders ⁽²⁾	76	25	23	(12)	(11)	(3)	2	(10)	1	(73)	18	—	—	18

⁽¹⁾ Share of loss from equity-accounted investments of \$16 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 \$83 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 reflects Adjusted EBITDA, Funds From Operations and provides reconciliation to net income (loss) for the three months attributable to Unitholders ended March 31, 2019:

(MILLIONS)	Attributable to Unitholders											Contribution from equity-accounted investments	Attributable to non-controlling interests	As per IFRS financials ⁽¹⁾
	Hydroelectric			Wind										
	North America	Brazil	Colombia	North America	Europe	Brazil	Asia	Solar	Storage & Other	Corporate	Total			
Revenues	262	65	62	63	28	7	2	38	24	—	551	(91)	365	825
Other income	1	1	—	2	—	—	—	1	—	2	7	(4)	5	8
Direct operating costs	(68)	(17)	(24)	(17)	(8)	(2)	(1)	(7)	(13)	(6)	(163)	29	(120)	(254)
Share of Adjusted EBITDA from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	66	7	73
Adjusted EBITDA	195	49	38	48	20	5	1	32	11	(4)	395	—	257	
Management service costs	—	—	—	—	—	—	—	—	—	(21)	(21)	—	—	(21)
Interest expense	(41)	(6)	(8)	(19)	(3)	(2)	—	(14)	(4)	(24)	(121)	24	(76)	(173)
Current income taxes	(2)	(3)	(4)	—	—	(1)	—	—	—	—	(10)	1	(15)	(24)
Distributions attributable to														
Preferred limited partners equity	—	—	—	—	—	—	—	—	—	(10)	(10)	—	—	(10)
Preferred equity	—	—	—	—	—	—	—	—	—	(6)	(6)	—	—	(6)
Share of interest and cash taxes from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	(25)	(4)	(29)
Share of Funds From Operations attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	(162)	(162)
Funds From Operations	152	40	26	29	17	2	1	18	7	(65)	227	—	—	
Depreciation	(55)	(22)	(5)	(40)	(10)	(4)	(1)	(13)	(6)	(1)	(157)	33	(76)	(200)
Foreign exchange and unrealized financial instruments gain (loss)	2	(1)	—	—	(1)	(1)	—	—	(1)	(16)	(18)	1	(1)	(18)
Deferred income tax recovery (expense)	(17)	1	(2)	16	5	—	(1)	16	—	6	24	(35)	(9)	(20)
Other	(15)	(1)	1	(1)	—	—	—	(12)	—	(5)	(33)	13	18	(2)
Share of earnings from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	(12)	—	(12)
Net loss attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	68	68
Net income (loss) attributable to Unitholders ⁽²⁾	67	17	20	4	11	(3)	(1)	9	—	(81)	43	—	—	43

⁽¹⁾ Share of earnings from equity-accounted investments of \$32 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 \$94 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 reconciles the non-IFRS financial metrics to the most directly comparable IFRS measures. Net income attributable to Unitholders is reconciled to Funds From Operations and reconciled to Proportionate Adjusted EBITDA, and earnings per unit is reconciled to Funds From Operations per unit, for the three months ended March 31:

(MILLIONS, EXCEPT AS NOTED)	2020	2019	Per unit	
			2020	2019
Net income attributable to:				
Limited partners' equity	\$ 10	\$ 25	\$ 0.06	\$ 0.14
General partnership interest in a holding subsidiary held by Brookfield	—	—	—	—
Participating non-controlling interests – in a holding subsidiary – Redeemable/Exchangeable units held by Brookfield	8	18	—	—
Net income attributable to Unitholders	\$ 18	\$ 43	\$ 0.06	\$ 0.14
Adjusted for proportionate share of:				
Depreciation	172	157	0.55	0.50
Foreign exchange and unrealized financial instruments loss	1	18	—	0.06
Deferred income tax expense (recovery)	6	(24)	0.02	(0.08)
Other	20	33	0.07	0.11
Funds From Operations	\$ 217	\$ 227	\$ 0.70	\$ 0.73
Distributions attributable to:				
Preferred limited partners' equity	12	10		
Preferred equity	7	6		
Current income taxes	11	10		
Interest expense	113	121		
Management service costs	31	21		
Proportionate Adjusted EBITDA	391	395		
Attributable to non-controlling interests	227	257		
Consolidated Adjusted EBITDA	\$ 618	\$ 652		
Weighted average Units outstanding ⁽¹⁾			311.3	311.1

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

CONTRACT PROFILE

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

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

The following table sets out our contracts over the next five years for generation output in North America, Europe and certain other countries, assuming long-term average on a proportionate basis. The table excludes Brazil and Colombia, where we would expect the energy associated with maturing contracts to be re-contracted in the normal course given the construct of the respective power markets. In these countries we currently have a contracted profile of approximately 90% and 70%, respectively, of the long-term average and we would expect to maintain this going forward. Overall, our portfolio has a weighted-average remaining contract duration of 14 years on a proportionate basis.

(GWh, except as noted)	Balance of 2020	2021	2022	2023	2024
Hydroelectric					
North America					
United States ⁽¹⁾	6,712	6,443	4,446	4,446	4,446
Canada ⁽¹⁾	2,015	2,144	2,097	2,020	2,006
	8,727	8,587	6,543	6,466	6,452
Wind					
North America					
United States	1,491	1,935	1,981	1,981	1,767
Canada	920	1,266	1,266	1,266	1,266
	2,411	3,201	3,247	3,247	3,033
Europe	522	768	768	758	698
Asia ⁽²⁾	326	400	400	400	400
	3,259	4,369	4,415	4,405	4,131
Solar ⁽²⁾	1,063	1,370	1,364	1,362	1,356
Contracted on a proportionate basis	13,049	14,326	12,322	12,233	11,939
Uncontracted on a proportionate basis	687	4,269	6,271	6,360	6,652
	13,736	18,595	18,593	18,593	18,591
Contracted generation as a % of total generation on a proportionate basis	95%	77%	66%	66%	64%
Price per MWh – total generation on a proportionate basis	\$ 77	\$ 83	\$ 90	\$ 90	\$ 92

⁽¹⁾ Includes generation of 2,685 GWh for 2020 and 1,284 GWh for 2021 secured under financial contracts.

Weighted-average remaining contract durations on a proportionate basis are 17 years in North America, 13 years in Europe, 9 years in Brazil, 3 years in Colombia and 19 years across our remaining jurisdictions.

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

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

The majority of Brookfield Renewable's long-term power purchase agreements within our North American and European businesses are with investment-grade rated or creditworthy counterparties. The economic exposure of our contracted generation on a proportionate basis is distributed as follows: power authorities (36%), distribution companies (24%), industrial users (21%) and Brookfield (19%).

PART 5 – LIQUIDITY AND CAPITAL RESOURCES

CAPITALIZATION

A key element of our financing strategy is to raise the majority of our debt in the form of asset-specific, non-recourse borrowings at our subsidiaries on an investment-grade basis. On a consolidated basis, almost 95% of our debt is either investment grade rated or sized to investment grade and approximately 80% of debt is non-recourse.

The following table summarizes our capitalization:

(MILLIONS, EXCEPT AS NOTED)	Corporate		Consolidated	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Commercial paper and corporate credit facility ⁽¹⁾⁽²⁾⁽³⁾	\$ 90	\$ 299	\$ 90	\$ 299
Debt				
Medium term notes ⁽²⁾⁽⁴⁾	1,920	1,808	1,920	1,808
Non-recourse borrowings ⁽⁵⁾	—	—	8,324	8,964
	1,920	1,808	10,244	10,772
Deferred income tax liabilities, net ⁽⁶⁾	—	—	3,972	4,421
Equity				
Non-controlling interest	—	—	7,760	8,742
Preferred equity	551	597	551	597
Preferred limited partners' equity	1,028	833	1,028	833
Unitholders equity	7,018	7,959	7,018	7,959
Total capitalization	\$ 10,517	\$ 11,197	\$ 30,573	\$ 33,324
Debt to total capitalization	18%	16%	34%	32%

- (1) Draws on corporate credit facilities are excluded from the debt to total capitalization ratios as they are not a permanent source of capital.
- (2) Corporate credit facility and medium term notes as at March 31, 2020 are adjusted to reflect the issuance of C\$175 million of Series 11 (\$124 million) and C\$175 million of Series 12 (\$124 million) medium term notes on April 3, 2020.
- (3) Our commercial paper program is supplemented by our \$1.75 billion corporate credit facilities with a weighted average maturity of four years. As at March 31, 2020, \$100 million of commercial papers are outstanding.
- (4) Medium term notes are unsecured and guaranteed by Brookfield Renewable and excludes \$8 million (2019: \$7 million) of deferred financing fees.
- (5) Consolidated non-recourse borrowings include \$53 million (2019: \$142 million) borrowed under a subscription facility of a Brookfield sponsored private fund and excludes \$55 million (2019: \$60 million) of deferred financing fees, net of unamortized premiums.
- (6) Deferred income tax liabilities less deferred income assets.

AVAILABLE LIQUIDITY

The following table summarizes the available liquidity:

(MILLIONS, EXCEPT AS NOTED)	March 31, 2020	December 31, 2019
Brookfield Renewable's share of cash and cash equivalents	\$ 212	\$ 143
Investments in marketable securities	120	95
Corporate credit facilities		
Authorized credit facilities ⁽¹⁾	2,150	2,150
Draws on commercial paper and credit facilities ⁽²⁾	(90)	(299)
Authorized letter of credit facility	400	400
Issued letters of credit	(243)	(266)
Available portion of corporate credit facilities	2,217	1,985
Available portion of subsidiary credit facilities on a proportionate basis	460	472
Available group-wide liquidity	\$ 3,009	\$ 2,695

- (1) Amounts are guaranteed by Brookfield Renewable.
- (2) Draws on credit facilities include the offset of C\$350 million (\$248 million) of proceeds from the issuance of Series 11 and Series 12 medium term notes on April 3, 2020.

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

BORROWINGS

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

(MILLIONS EXCEPT AS NOTED)	March 31, 2020			December 31, 2019		
	Weighted-average		Total	Weighted-average		Total
	Interest rate (%)	Term (years)		Interest rate (%)	Term (years)	
Corporate borrowings						
Medium term notes ⁽¹⁾	4.1%	10	\$ 1,920	4.1%	10	\$ 1,808
Commercial paper and credit facilities ⁽³⁾	2.2%	4	90	2.9%	5	299
Proportionate subsidiary borrowings ⁽²⁾						
Hydroelectric	5.5%	9	3,534	5.6%	10	3,727
Wind	4.6%	11	1,810	4.5%	10	1,742
Solar	4.9%	11	1,386	4.7%	10	1,470
Storage and other	5.4%	4	225	5.5%	5	235
	5.1%	10	6,955	5.1%	10	7,174
			8,965			9,281
Proportionate deferred financing fees, net of unamortized premiums			(41)			(46)
			8,924			9,235
Equity-accounted borrowings			(2,306)			(2,157)
Non-controlling interests			3,653			3,926
As per IFRS Statements			\$ 10,271			\$ 11,004

⁽¹⁾ Adjusted to reflect the issuance of Series 11 and Series 12 (C\$350) medium term notes of \$248 million that was completed on April 3, 2020 and the use of proceeds to repay corporate credit facility indebtedness.

⁽²⁾ Excludes \$9 million of proportionate debt associated with our portfolios that are classified as held for sale as at March 31, 2020 (2019: \$11 million).

⁽³⁾ Our commercial paper program is supplemented by our \$1.75 billion corporate credit facilities with a weighted average maturity of 4 years. As at March 31, 2020, \$100 million of commercial papers are outstanding.

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

(MILLIONS)	Balance of 2020	2021	2022	2023	2024	Thereafter	Total
Debt Principal repayments⁽¹⁾							
Medium term notes ⁽²⁾⁽³⁾	\$ —	\$ —	\$ 284	\$ —	\$ —	\$ 1,636	\$ 1,920
Non-recourse borrowings							
Credit facilities	—	—	61	50	18	—	129
Hydroelectric	—	—	215	377	77	2,060	2,729
Wind	—	—	—	105	—	395	500
Solar	—	141	—	103	—	284	528
Storage & other	—	57	—	—	—	152	209
	<u>—</u>	<u>198</u>	<u>276</u>	<u>635</u>	<u>95</u>	<u>2,891</u>	<u>4,095</u>
Amortizing debt principal repayments							
Non-recourse borrowings							
Hydroelectric	44	50	64	53	61	466	738
Wind	87	108	120	114	123	734	1,286
Solar	56	51	55	55	58	545	820
Storage & other	2	3	2	3	4	2	16
	<u>189</u>	<u>212</u>	<u>241</u>	<u>225</u>	<u>246</u>	<u>1,747</u>	<u>2,860</u>
Total	<u>\$ 189</u>	<u>\$ 410</u>	<u>\$ 801</u>	<u>\$ 860</u>	<u>\$ 341</u>	<u>\$ 6,274</u>	<u>\$ 8,875</u>

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

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

(3) Adjusted to reflect the Series 11 and Series 12 medium term notes of \$248 million that were issued on April 3, 2020.

We remain focused on refinancing near-term facilities on acceptable terms and maintaining a manageable maturity ladder. We do not anticipate material issues in refinancing our borrowings through 2024 on acceptable terms and will do so opportunistically based on the prevailing interest rate environment.

CONSOLIDATED STATEMENTS OF CASH FLOWS

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

(MILLIONS)	2020	2019
Cash flow provided by (used in):		
Operating activities	\$ 355	\$ 367
Financing activities	(131)	(284)
Investing activities	(29)	(79)
Foreign exchange loss on cash	(12)	—
Increase (decrease) in cash and cash equivalents	<u>\$ 183</u>	<u>\$ 4</u>

Operating Activities

Cash flows provided by operating activities totaled \$355 million and \$367 million for the three months ended March 31, 2020 and 2019, respectively, reflecting the strong performance of our business during both periods.

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

(MILLIONS)	2020	2019
Trade receivables and other current assets	\$ (2)	\$ 6
Accounts payable and accrued liabilities	(12)	(9)
Other assets and liabilities	—	(27)
	<u>\$ (14)</u>	<u>\$ (30)</u>

Financing Activities

Cash flows used in financing activities totaled \$131 million for the three months ended March 31, 2020 as the proceeds raised from our inaugural \$200 million Series 17 Preferred Units in the United States were offset by repayments of borrowings, including affiliate credit facilities that were drawn to fund recent investments, and the distributions noted below.

For the three months ended March 31, 2020, distributions paid to LP Unitholders and Redeemable/Exchangeable Unitholders were \$182 million. We increased our distributions to \$2.17 per LP Unit on an annualized basis, an increase of \$0.11 or 5% per LP Unit, which took effect in the first quarter of 2020. The distributions paid to preferred shareholders and preferred limited partners' unitholders totaled \$18 million and distributions paid to non-controlling interests of our operating subsidiaries totaled \$77 million.

Cash flows used in financing activities totaled \$284 million for the three months ended March 31, 2019 as the proceeds raised from the issuance of the C\$175 million Series 15 Preferred Units (\$126 million, net of transaction fees) and proceeds from the sale of a 25% interest in a select portfolio of Canadian hydroelectric assets were offset by repayments of borrowings, primarily our corporate credit facility, and the distributions noted below.

For the three months ended March 31, 2019, distributions paid to LP Unitholders and Redeemable/Exchangeable Unitholders were \$171 million. The distributions paid to preferred shareholders and preferred limited partners' unitholders totaled \$15 million and distributions paid to non-controlling interests of our operating subsidiaries totaled \$134 million.

Investing Activities

Cash flows used in investing activities totaled \$29 million for the three months ended March 31, 2020. During the quarter, we invested \$63 million into growth, primarily driven by the acquisition of 47 MW of operating solar capacity in India, 278 MW of development solar assets in Brazil and into the continued investments in the development of our other power generating assets and sustaining capital expenditures. These activities were partially offset by the sale of our three solar facilities in Thailand for proceeds of \$94 million.

Cash flows used in investing activities totaled \$79 million for the three months ended March 31, 2019. Our investments in the development of power generating assets and sustaining capital expenditures totaled \$29 million.

SHARES AND UNITS OUTSTANDING

Shares and units outstanding are as follows:

	March 31, 2020	December 31, 2019
Class A Preference Shares⁽¹⁾	31,035,967	31,035,967
Preferred Units⁽²⁾		
Balance, beginning of year	44,885,496	37,885,496
Issuance	8,000,000	7,000,000
Balance, end of period/year	52,885,496	44,885,496
GP interest	2,651,506	2,651,506
Redeemable/Exchangeable partnership units	129,658,623	129,658,623
LP Units		
Balance, beginning of year	178,977,800	178,821,204
Distribution reinvestment plan	39,178	176,596
Repurchase of LP Units for cancellation	—	(20,000)
Balance, end of period/year	179,016,978	178,977,800
Total LP Units on a fully-exchanged basis ⁽³⁾	308,675,601	308,636,423

⁽¹⁾ Class A Preference Shares are broken down by series as follows: 5,449,675 Series 1 Class A Preference Shares are outstanding; 4,510,389 Series 2 Class A Preference Shares are outstanding; 9,961,399 Series 3 Class A Preference Shares are outstanding; 4,114,504 Series 5 Class A Preference Shares are outstanding; and 7,000,000 Series 6 Class A Preference Shares are outstanding.

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

⁽³⁾ The fully-exchanged amounts assume the exchange of all Redeemable/Exchangeable partnership units for LP Units.

DIVIDENDS AND DISTRIBUTIONS

Dividends and distributions declared and paid are as follows:

(MILLIONS)	Declared		Paid	
	2020	2019	2020	2019
Class A Preference Shares	\$ 7	\$ 6	\$ 7	\$ 7
Class A Preferred LP Units	\$ 12	\$ 10	\$ 11	\$ 9
Participating non-controlling interests – in operating subsidiaries	\$ 77	\$ 134	\$ 77	\$ 134
GP interest and Incentive distributions	\$ 17	\$ 15	\$ 16	\$ 13
Redeemable/Exchangeable partnership units	\$ 72	\$ 68	\$ 70	\$ 67
LP Units	\$ 99	\$ 93	\$ 95	\$ 91

CONTRACTUAL OBLIGATIONS

Please see Note 17 – Commitments, contingencies and guarantees in the unaudited interim consolidated financial statements, for further details on the following:

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

OFF-STATEMENT OF FINANCIAL POSITION ARRANGEMENTS

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

Brookfield Renewable issues letters of credit from its corporate credit facilities for general corporate purposes which include, but are not limited to, security deposits, performance bonds and guarantees for reserve accounts. As at March 31, 2020, letters of credit issued amounted to \$243 million (2019: \$266 million).

PART 6 – SELECTED QUARTERLY INFORMATION

SUMMARY OF HISTORICAL QUARTERLY RESULTS

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

	2020	2019				2018		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
(MILLIONS, EXCEPT AS NOTED)								
<i>Total Generation (GWh) – LTA</i>	14,151	13,850	12,332	14,252	13,493	13,485	12,113	13,521
<i>Total Generation (GWh) – actual</i>	14,264	12,465	11,089	14,881	14,125	14,445	11,609	13,122
<i>Proportionate Generation (GWh) – LTA</i>	6,717	6,561	5,821	7,109	6,698	6,602	5,956	6,935
<i>Proportionate Generation (GWh) – actual</i>	7,164	5,977	5,213	7,602	7,246	7,052	5,552	6,455
Revenues	\$ 792	\$ 726	\$ 642	\$ 787	\$ 825	\$ 780	\$ 674	\$ 735
Net income (loss) attributable to Unitholders	18	(66)	(53)	17	43	91	(55)	(2)
Basic and diluted earnings (loss) per LP Unit	0.06	0.21	(0.17)	0.05	0.14	0.29	(0.18)	(0.01)
Consolidated Adjusted EBITDA	618	550	507	630	652	604	494	543
Proportionate Adjusted EBITDA	391	348	301	400	395	371	277	324
Funds From Operations	217	171	133	230	227	206	105	172
Funds From Operations per Unit	0.70	0.55	0.43	0.74	0.73	0.66	0.33	0.55
Distribution per LP Unit	0.543	0.515	0.515	0.515	0.515	0.490	0.490	0.490

PART 7 – CRITICAL ESTIMATES, ACCOUNTING POLICIES AND INTERNAL CONTROLS

CRITICAL ESTIMATES AND CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

In making estimates, management relies on external information and observable conditions where possible, supplemented by internal analysis, as required. These estimates have been applied in a manner consistent with that in the prior year and there are no known trends, commitments, events or uncertainties that we believe will materially affect the methodology or assumptions utilized in this report. These estimates are impacted by, among other things, future power prices, movements in interest rates, foreign exchange volatility and other factors, some of which are highly uncertain, as described in the “Risk Factors” section in our 2019 Annual Report and the additional risk factors as identified below. The interrelated nature of these factors prevents us from quantifying the overall impact of these movements on Brookfield Renewable’s financial statements in a meaningful way. These sources of estimation uncertainty relate in varying degrees to substantially all asset and liability account balances. Actual results could differ from those estimates.

Additional risk factors other than as described in the “Risk Factors” section of our 2019 Annual Report are as follows:

Risks Associated with the COVID-19 Pandemic

The rapid spread of the COVID-19 virus, which was declared by the World Health Organization to be a pandemic on March 11, 2020, and actions taken globally in response to COVID-19, have significantly disrupted international business activities. In addition, our business relies, to a certain extent, on free movement of goods, services, and capital from around the world, which has been significantly restricted as a result of COVID-19. We have implemented a response plan to maintain operations despite the outbreak of the virus. However, we may experience direct or indirect impacts from the pandemics, including delays in development or construction activities in our business and we have some risk that our contract counterparties could fail to meet their obligations to us.

Given the ongoing and dynamic nature of the circumstances surrounding COVID-19, it is difficult to predict how significant the impact of COVID-19, including any responses to it, will be on the global economy and our business or for how long any disruptions are likely to continue. The extent of such impact will depend on future developments, which are highly uncertain, rapidly evolving and difficult to predict, including new information which may emerge concerning the severity of COVID-19 and additional actions which may be taken to contain COVID-19. Such developments could have an adverse effect on our assets, liabilities, business, financial condition, results of operations and cash flow.

Despite these conditions and risks, our business is highly resilient given we are an owner, operator and investor in one of the most critical sectors in the world. We generate revenues that are predominantly backed by long-term contracts with well diversified creditworthy counterparties. The majority of our assets are operated from centralized control centers and our operators around the world have implemented contingency plans to ensure operations, maintenance and capital programs continue with little disruption. We have a robust balance sheet with strong investment grade rating, over \$3 billion of available liquidity and no material maturities over the next five years.

NEW ACCOUNTING STANDARDS

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

FUTURE CHANGES IN ACCOUNTING POLICIES

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

INTERNAL CONTROL OVER FINANCIAL REPORTING

No changes were made in our internal control over financial reporting during the three months ended March 31, 2020, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. We have not experienced any material impact to our internal control over financial reporting due to the COVID-19 pandemic. We are continually monitoring and assessing the COVID-19 pandemic on our internal controls to minimize the impact on their design and operating effectiveness.

SUBSEQUENT EVENTS

At the beginning of May, we exercised our option to buy out the lease on our 192 MW hydroelectric facility in Louisiana for \$560 million (\$420 million net to Brookfield Renewable). The transaction is expected to close in 2020.

PART 8 – PRESENTATION TO STAKEHOLDERS AND PERFORMANCE MEASUREMENT

PRESENTATION TO PUBLIC STAKEHOLDERS

Equity

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

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

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

Actual and Long-term Average Generation

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

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

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

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

Generation from our North American pumped storage and cogeneration facilities is highly dependent on market price conditions rather than the generating capacity of the facilities. Our European pumped storage facility generates on a dispatchable basis when required by our contracts for ancillary services. Generation from our biomass facilities is dependent

on the amount of sugar cane harvested in a given year. For these reasons, we do not consider a long-term average for these facilities.

Voting Agreements with Affiliates

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

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

For entities previously controlled by Brookfield Asset Management, the voting agreements entered into do not represent business combinations in accordance with IFRS 3, as all combining businesses are ultimately controlled by Brookfield Asset Management both before and after the transactions were completed. Brookfield Renewable accounts for these transactions involving entities under common control in a manner similar to a pooling of interest, which requires the presentation of pre-voting agreement financial information as if the transactions had always been in place. Refer to Note 1(r)(ii) – Critical judgments in applying accounting policies - Common control transactions in our December 31, 2019 audited consolidated financial statements for our policy on accounting for transactions under common control.

PERFORMANCE MEASUREMENT

Segment Information

Our operations are segmented by – 1) hydroelectric, 2) wind, 3) solar, 4) storage & other (cogeneration and biomass), and 5) corporate – with hydroelectric and wind further segmented by geography (i.e., North America, Colombia, Brazil, Europe and Asia). This best reflects the way in which the CODM reviews results, manages operations and allocates resources. The Colombia segment aggregates the financial results of its hydroelectric and cogeneration facilities. The Canada segment includes the financial results of our strategic investment in Transalta Corporation. The corporate segment represents all activity performed above the individual segments for the business.

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

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

It is important to highlight that Adjusted EBITDA and Funds From Operations do not have any standardized meaning prescribed by IFRS and therefore are unlikely to be comparable to similar measures presented by other companies and have limitations as analytical tools. We provide additional information below on how we determine Adjusted EBITDA and Funds From Operations. We also provide reconciliations to Net income (loss). See “Part 4 – Financial Performance Review on Proportionate Information – Reconciliation of Non-IFRS Measures” and “Part 6 – Selected Quarterly Information – Reconciliation of Non-IFRS measures”.

Proportionate Information

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

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

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

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

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

Brookfield Renewable does not control those entities that have not been consolidated and as such, have been presented as equity-accounted investments in its financial statements. The presentation of the assets and liabilities and revenues and expenses do not represent Brookfield Renewable's legal claim to such items, and the removal of financial statement amounts that are attributable to non-controlling interests does not extinguish Brookfield Renewable's legal claims or exposures to such items.

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

Net Income (Loss)

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

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

Adjusted EBITDA

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

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

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

Funds From Operations and Funds From Operations per Unit

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

Brookfield Renewable uses Funds From Operations to assess the performance of the business before the effects of certain cash items (e.g. acquisition costs and other typical non-recurring cash items) and certain non-cash items (e.g. deferred income taxes, depreciation, non-cash portion of non-controlling interests, unrealized gain or loss on financial instruments, non-cash gain or loss from equity-accounted investments, and other non-cash items) as these are not reflective of the performance of the underlying business. In our unaudited interim consolidated financial statements we use the revaluation approach in accordance with IAS 16, Property, Plant and Equipment, whereby depreciation is determined based on a revalued amount, thereby reducing comparability with our peers who do not report under IFRS as issued by the IASB or who do not employ

the revaluation approach to measuring property, plant and equipment. We add back deferred income taxes on the basis that we do not believe this item reflects the present value of the actual tax obligations that we expect to incur over our long-term investment horizon.

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

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

Proportionate Debt

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

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

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

PART 9 – CAUTIONARY STATEMENTS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Interim Report contains forward-looking statements and information, within the meaning of Canadian securities laws and “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations, concerning the business and operations of Brookfield Renewable. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Forward-looking statements in this Interim Report include statements regarding the quality of Brookfield Renewable’s assets and the resiliency of the cash flow they will generate, Brookfield Renewable’s anticipated financial performance, future commissioning of assets, contracted nature of our portfolio, technology diversification, acquisition opportunities, expected completion of acquisitions and dispositions, financing and refinancing opportunities, the completion of the special distribution of BEPC shares, BEPC’s eligibility for index inclusion, BEPC’s ability to attract new investors as well as the future performance and prospects of BEPC and Brookfield Renewable following the distribution of BEPC shares, the proposed TERP acquisition, the prospects and benefits of the combined company, including certain information regarding the combined company’s expected cash flow profile and liquidity, future energy prices and demand for electricity, economic recovery, achieving long-term average generation, project development and capital expenditure costs, energy policies, economic growth, growth potential of the renewable asset class, the future growth prospects and distribution profile of Brookfield Renewable and Brookfield Renewable’s access to capital. In some cases, forward looking statements can be identified by the use of words such as “plans”, “expects”, “scheduled”, “estimates”, “intends”, “anticipates”, “believes”, “potentially”, “tends”, “continue”, “attempts”, “likely”, “primarily”, “approximately”, “endeavours”, “pursues”, “strives”, “seeks”, “targets”, “believes”, or variations of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information in this Interim Report are based upon reasonable assumptions and expectations, we cannot assure you that such expectations will prove to have been correct. You should not place undue reliance on forward looking statements and information as such statements and information involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to changes to hydrology at our hydroelectric facilities, to wind conditions at our wind energy facilities, to irradiance at our solar facilities or to weather generally, as a result of climate change or otherwise, at any of our facilities; volatility in supply and demand in the energy markets; our inability to re-negotiate or replace expiring PPAs on similar terms; increases in water rental costs (or similar fees) or changes to the regulation of water supply; advances in technology that impair or eliminate the competitive advantage of our projects; an increase in the amount of uncontracted generation in our portfolio; industry risks relating to the power markets in which we operate; the termination of, or a change to, the MRE balancing pool in Brazil; increased regulation of our operations; concessions and licenses expiring and not being renewed or replaced on similar terms; our real property rights for wind and solar renewable energy facilities being adversely affected by the rights of lienholders and leaseholders that are superior to those granted to us; increases in the cost of operating our plants; our failure to comply with conditions in, or our inability to maintain, governmental permits; equipment failures, including relating to wind turbines and solar panels; dam failures and the costs and potential liabilities associated with such failures; force majeure events; uninsurable losses and higher insurance premiums; adverse changes in currency exchange rates and our inability to effectively manage foreign currency exposure; availability and access to interconnection facilities and transmission systems; health, safety, security and environmental risks; energy marketing risks; disputes, governmental and regulatory investigations and litigation; counterparties to our contracts not fulfilling their obligations; the time and expense of enforcing contracts against non-performing counter-parties and the uncertainty of success; our operations being affected by local communities; fraud, bribery, corruption, other illegal acts or inadequate or failed internal processes or systems; some of our acquisitions may be of distressed companies, which may subject us to increased risks, including the incurrence of legal or other expenses; our reliance on computerized business systems, which could expose us to cyber-attacks; newly developed technologies in which we invest not performing as anticipated; labor disruptions and economically unfavorable collective bargaining agreements; our inability to finance our operations due to the status of the capital markets; the fact that there can be no assurance that the stock exchanges on which BEPC has applied to list the BEPC shares will approve the listing of such shares; operating and financial restrictions imposed on us by our loan, debt and security agreements; changes to our credit ratings; our inability to identify sufficient investment opportunities and complete transactions, including the proposed TERP acquisition; uncertainties as to whether TERP’s stockholders not affiliated with

Brookfield Renewable will approve any transaction; uncertainties as to whether the other conditions to the TERP acquisition will be satisfied or satisfied on the anticipated schedule; the growth of our portfolio and our inability to realize the expected benefits of our transactions or acquisitions, including the proposed TERP acquisition and the proposed special distribution of BEPC shares; our inability to develop greenfield projects or find new sites suitable for the development of greenfield projects; delays, cost overruns and other problems associated with the construction and operation of generating facilities and risks associated with the arrangements we enter into with communities and joint venture partners; Brookfield Asset Management's election not to source acquisition opportunities for us and our lack of access to all renewable power acquisitions that Brookfield Asset Management identifies, including by reason of conflicts of interest; we do not have control over all our operations or investments; political instability or changes in government policy; foreign laws or regulation to which we become subject as a result of future acquisitions in new markets; changes to government policies that provide incentives for renewable energy; a decline in the value of our investments in securities, including publicly traded securities of other companies; we are not subject to the same disclosure requirements as a U.S. domestic issuer; the separation of economic interest from control within our organizational structure; future sales and issuances of our LP Units, preferred limited partnership units or securities exchangeable for LP Units, or the perception of such sales or issuances, could depress the trading price of the LP Units or preferred limited partnership units; the incurrence of debt at multiple levels within our organizational structure; being deemed an "investment company" under the U.S. Investment Company Act of 1940; the effectiveness of our internal controls over financial reporting; our dependence on Brookfield Asset Management and Brookfield Asset Management's significant influence over us; the departure of some or all of Brookfield Asset Management's key professionals; changes in how Brookfield Asset Management elects to hold its ownership interests in Brookfield Renewable; Brookfield Asset Management acting in a way that is not in the best interests of Brookfield Renewable or its unitholders; and the severity, duration and spread of the COVID-19 outbreak, as well as the direct and indirect impacts that the virus may have.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. The forward-looking statements represent our views as of the date of this Interim Report and should not be relied upon as representing our views as of any subsequent date. While we anticipate that subsequent events and developments may cause our views to change, we disclaim any obligation to update the forward-looking statements, other than as required by applicable law. For further information on these known and unknown risks, please see "Risk Factors" included in our Form 20-F.

CAUTIONARY STATEMENT REGARDING USE OF NON-IFRS MEASURES

This Interim Report contains references to certain proportionate information, Adjusted EBITDA, Funds From Operations, Funds From Operations per Unit and Proportionate Debt (collectively, "Brookfield Renewable's Non-IFRS Measures") which are not generally accepted accounting measures under IFRS and therefore may differ from definitions of proportionate information, Adjusted EBITDA, Funds From Operations, Funds From Operations per Unit, and Proportionate Debt used by other entities. In particular, our definition of Funds From Operations may differ from the definition of funds from operations used by other organizations, as well as the definition of funds from operations used by the Real Property Association of Canada and the National Association of Real Estate Investment Trusts, Inc. ("NAREIT"), in part because the NAREIT definition is based on U.S. GAAP, as opposed to IFRS. We believe that Brookfield Renewable's Non-IFRS Measures are useful supplemental measures that may assist investors in assessing our financial performance. Brookfield Renewable's Non-IFRS Measures should not be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, analysis of our financial statements prepared in accordance with IFRS. These non-IFRS measures reflect how we manage our business and, in our opinion, enable the reader to better understand our business.

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

GENERAL INFORMATION

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Chief Executive Officer

Wyatt Hartley
Chief Financial Officer

Transfer Agent & Registrar

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Directors of the General Partner of Brookfield Renewable Partners L.P.

Jeffrey Blidner
Eleazar de Carvalho Filho
Nancy Dorn
David Mann
Lou Maroun
Patricia Zuccotti
Stephen Westwell

Exchange Listing

NYSE: BEP (LP Units)
TSX: BEP.UN (LP Units)
TSX: BEP.PR.E (Preferred LP Units - Series 5)
TSX: BEP.PR.G (Preferred LP Units - Series 7)
TSX: BEP.PR.I (Preferred LP Units - Series 9)
TSX: BEP.PR.K (Preferred LP Units - Series 11)
TSX: BEP.PR.M (Preferred LP Units - Series 13)
TSX: BEP.PR.O (Preferred LP Units - Series 15)
NYSE: BEP.PR.A (Preferred LP Units - Series 17)
TSX: BRF.PR.A (Preferred shares - Series 1)
TSX: BRF.PR.B (Preferred shares - Series 2)
TSX: BRF.PR.C (Preferred shares - Series 3)
TSX: BRF.PR.E (Preferred shares - Series 5)
TSX: BRF.PR.F (Preferred shares - Series 6)

Investor Information

Visit Brookfield Renewable online at
<https://bep.brookfield.com> for more information. The 2019
Annual Report and Form 20-F are also available online.
For detailed and up-to-date news and information, please
visit the News Release section.

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

Shareholder enquiries should be directed to the Investor
Relations Department at (416) 369-2616 or
enquiries@brookfieldrenewable.com

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