Brookfield Renewable Partners L.P.

Q3 2021 MANAGEMENT'S DISCUSSION AND ANALYSIS

Brookfield

Management’s Discussion and Analysis
For the three and nine months ended September 30, 2021

This Management’s Discussion and Analysis for the three and nine months ended September 30, 2021 is provided as of November 5, 2021. Unless the context indicates or requires otherwise, the terms “Brookfield Renewable”, “we”, “us”, and “our company” mean Brookfield Renewable Partners L.P. and its controlled entities. The ultimate parent of Brookfield Renewable is Brookfield Asset Management Inc. (“Brookfield Asset Management”). Brookfield Asset Management and its subsidiaries, other than Brookfield Renewable, are also individually and collectively referred to as “Brookfield” in this Management’s Discussion and Analysis.

Brookfield Renewable’s consolidated equity interests include the non-voting publicly traded limited partnership units (“LP units”) held by public unitholders and Brookfield, class A BEPC exchangeable subordinate voting shares ("BEPC exchangeable shares") of Brookfield Renewable Corporation ("BEPC") held by public shareholders and Brookfield, redeemable/exchangeable partnership units ("Redeemable/Exchangeable partnership units") in Brookfield Renewable Energy L.P. (“BRELP”), a holding subsidiary of Brookfield Renewable, held by Brookfield, and general partnership interest (“GP interest”) in BRELP held by Brookfield. Holders of the LP units, Redeemable/Exchangeable partnership units, GP interest, and BEPC exchangeable shares will be collectively referred to throughout as “Unitholders” unless the context indicates or requires otherwise. LP units, Redeemable/Exchangeable partnership units, GP interest, and BEPC exchangeable shares will be collectively referred to throughout as “Units”, or as “per Unit”, unless the context indicates or requires otherwise. The LP units, BEPC exchangeable shares 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, 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).

Organization of the Management’s Discussion and Analysis

PART 1 – Q3 2021 HIGHLIGHTS

(MILLIONS, EXCEPT AS NOTED)	Three months ended September 30 2021	2020	Nine months ended September 30 2021	2020
Operational information				
Capacity (MW)	**20,515**	19,363	**20,515**	19,363
Total generation (GWh)				
Long-term average generation	**13,776**	13,446	**43,967**	43,124
Actual generation	**13,533**	12,007	**42,044**	39,535
Proportionate generation (GWh)				
Long-term average generation	**6,697**	6,618	**22,655**	20,644
Actual generation	**6,125**	5,753	**20,513**	19,469
Average revenue ($ per MWh)	**90**	80	**88**	76
Selected financial information				
Net loss attributable to Unitholders	**$ (115)**	$ (162)	**$ (311)**	$ (184)
Basic income (loss) per LP unit[1]	**(0.21)**	(0.29)	**(0.58)**	(0.39)
Consolidated Adjusted EBITDA[2]	**751**	611	**2,364**	2,045
Proportionate Adjusted EBITDA[2]	**446**	371	**1,445**	1,158
Funds From Operations[2]	**210**	157	**720**	606
Funds From Operations per Unit[2][3]	**0.33**	0.25	**1.12**	1.01
Distribution per LP unit	**0.30**	0.29	**0.91**	0.87

(1) For the three and nine months ended September 30, 2021, average LP units totaled 274.9 million and 274.9 million, respectively (2020: 272.6 million and 269.9 million, respectively).

(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".

(3) Average Units outstanding for the three and nine months ended September 30, 2021 were 645.6 million and 645.6 million, respectively (2020: 624.6 million and 597.5 million, respectively), being inclusive of our LP units, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and GP interest.

(MILLIONS, EXCEPT AS NOTED)	September 30, 2021	December 31, 2020
Liquidity and Capital Resources		
Available liquidity	**$ 3,318**	$ 3,270
Debt to capitalization – Corporate	**8 %**	6 %
Debt to capitalization – Consolidated	**32 %**	27 %
Borrowings non-recourse to Brookfield Renewable	**89 %**	88 %
Floating rate debt exposure on a proportionate basis[1]	**3 %**	4 %
Corporate borrowings		
Average debt term to maturity	**13 years**	14 years
Average interest rate	**3.9 %**	3.9 %
Non-recourse borrowings on a proportionate basis		
Average debt term to maturity	**10 years**	11 years
Average interest rate	**4.0 %**	4.0 %

(1) Excludes 5% (2020: 5%) floating rate debt exposure of certain regions outside of North America and Europe due to the higher cost of hedging associated with those regions.

Operations

Funds From Operations of $210 million or $0.33 on a per Unit basis, representing a 32% increase from the same period in the prior year driven by:

- Contributions from growth, including over 670 MW of development assets reaching commercial operation and the acquisitions of both an 845 MW wind farm in Oregon and a 360 MW distributed generation portfolio in the United States
- Higher realized prices across most markets, on the back of inflation escalation, commercial contracting initiatives, and higher global power prices
- Higher margins due to cost reduction initiatives; and
- Favorable same store hydroelectric generation, particularly in the United States and Colombia

After deducting depreciation and non-cash charges, net loss attributable to Unitholders for the three months ended September 30, 2021 was $115 million or $0.21 per LP unit.

We continued to focus on extending our contract profile and leveraging our deep customer relationships

- Agreed 19 power purchase agreements for approximately 1,300 GWh of annual renewable generation with corporate offtakers globally across major industries in the last quarter

Liquidity and Capital Resources

Our access to diverse pools of capital continues to be strong and backed by a resilient balance sheet

- Liquidity position remains robust, with approximately $3.3 billion of total available liquidity and no meaningful near-term maturities
- Capitalized on both the low interest rate environment and long-term nature of our assets, and sourced liquidity from diverse funding levers:
    - Secured over $1.9 billion of investment grade non-recourse financings across our diverse portfolio during the quarter
    - So far this year, we generated over $900 million of proceeds ($430 million net to Brookfield Renewable) from capital recycling initiatives including the sale of mature wind portfolios in Ireland and in the U.S., returning, in the aggregate, approximately two times our invested capital. We also agreed to the sale of our Mexican assets developed by X-Elio, our global solar developer, for approximately $400 million ($50 million net to Brookfield Renewable)

Growth and Development

Subsequent to the quarter, together with our institutional partners, we agreed to acquire an initial 26% interest in a 750 MW portfolio of operating and development assets in Spain and Mexico. We expect to invest $220 million ($55 million net to Brookfield Renewable) of equity into the project, with the potential to increase our ownership interest to almost 60%, with Brookfield Renewable expected to hold a 25% interest in the investment.

Subsequent to the quarter, together with our institutional partners, we signed an agreement to acquire three late-stage and high quality utility-scale solar development projects in the United States for a total installed capacity of approximately 475 MW. We expect to invest $135 million (approximately $35 million net to Brookfield Renewable), with Brookfield Renewable expected to hold a 25% interest.

Subsequent to the quarter, together with our institutional partners, we signed an agreement to acquire a 35 MW distributed generation portfolio through our Polish renewable business. Brookfield Renewable is expected to hold a 6% interest.

Together with our institutional partners and investing alongside Apple Inc.'s China Renewable Energy Fund, we completed the acquisition of a 58% stake in a 59 MW operating wind facility in China. The project is the first to close in a broader 213 MW operating portfolio of high quality contracted wind assets in China. The remaining projects are expected to close in the fourth quarter of 2021, with Brookfield Renewable expecting to hold a 14.5% interest.

During the year, we continued to progress our development pipeline

- Commissioned 672 MW of development projects, including a 357 MW solar facility in Brazil

- Continued to advance the construction of 6,739 MW of hydroelectric, wind, pumped storage, solar PV and rooftop solar development projects, including the repowering of an 845 MW wind farm in Oregon, that are expected to generate annualized Funds From Operations of approximately $95 million in aggregate.

PART 2 – FINANCIAL PERFORMANCE REVIEW ON CONSOLIDATED INFORMATION

The following table reflects key financial data for the three and nine months ended September 30:

	Three months ended September 30		Nine months ended September 30	
(MILLIONS, EXCEPT AS NOTED)	**2021**	2020	**2021**	2020
Long-term average generation	**13,776**	13,446	**43,967**	43,124
Actual generation	**13,533**	12,007	**42,044**	39,535
Revenues	**$ 966**	$ 867	**$ 3,005**	$ 2,858
Direct operating costs	**(292)**	(281)	**(990)**	(917)
Management service costs	**(71)**	(65)	**(224)**	(151)
Interest expense	**(247)**	(233)	**(726)**	(733)
Depreciation	**(373)**	(369)	**(1,120)**	(1,030)
Income tax (expense) recovery	**(143)**	27	**(128)**	(1)
Net loss	**$ (154)**	$ (119)	**$ (99)**	$ (40)
	Average FX rates to USD			
C$	**1.26**	1.33	**1.25**	1.35
€	**0.85**	0.86	**0.84**	0.89
R$	**5.23**	5.38	**5.33**	5.08
COP	**3,844**	3,730	**3,696**	3,703

Variance Analysis For The Three Months Ended September 30, 2021

Revenues totaling $966 million represents an increase of $99 million over the same period in the prior year due to the growth of our business. Recently acquired and commissioned facilities contributed 761 GWh of generation and $83 million to revenue which was partially offset by recently completed asset sales that reduced generation by 246 GWh and revenue by $27 million. On a same store basis, revenue increased by $43 million as we benefited from favorable hydroelectric generation, particularly in the United States and Colombia, and higher average realized revenue per MWh across most markets on the back of inflation escalation, recontracting initiatives, and higher global merchant power prices.

Direct operating costs totaling $292 million represents an increase of $11 million over the same period as the benefit from cost saving initiatives across our business and recently completed asset sales was more than offset by additional costs from our recently acquired and commissioned facilities.

Management service costs totaling $71 million represents an increase of $6 million over the same period in the prior year due to the growth of our business.

Interest expense totaling $247 million represents an increase of $14 million over the same period in the prior year due to growth in our portfolio, partially offset by the benefit of recent refinancing activities that reduced our average cost of borrowing.

Depreciation expense totaling $373 million represents an increase of $4 million over the same period in the prior year due to the growth of our business.

Income tax expense totaling $143 million represents an increase of $170 million over the same period in the prior year due to a new tax legislation that was passed during the quarter that impacted deferred taxes at our Colombian business.

Net loss totaling $154 million increased by $35 million over the same period in the prior year due to the above noted items.

Variance Analysis For The Nine Months Ended September 30, 2021

Revenues totaling $3,005 million represents an increase of $147 million over the same period in the prior year due to the growth of our business. Recently acquired and commissioned facilities contributed 1,575 GWh of generation and $172 million to revenue, which was partially offset by recently completed asset sales that reduced generation by 367 GWh and revenue by $46 million. On a same store, local currency basis, revenue decreased by $17 million as the benefit from higher average realized revenue per MWh primarily due to inflation indexation, recontracting initiatives, and higher global merchant power prices, as well as higher market prices realized on generation from our wind assets in Texas during the winter storm in the first quarter of 2021, which contributed $52 million, was more than offset by lower generation, primarily at our hydroelectric facilities in North America.

The weakening of the U.S. dollar relative to the same period in the prior year across most of the currencies increased revenue by $38 million, which was partially offset by a $22 million unfavorable foreign exchange impact on our operating and interest expense for the year.

Direct operating costs totaling $910 million, excluding the impact of the Texas winter storm, represents a decrease of $7 million over the prior year as the benefit from cost saving initiatives across our business and recently completed asset sales were partially offset by additional costs from our recently acquired and commissioned facilities and the impact of foreign exchange movements noted above.

Direct operating costs relating to the Texas winter storm event totaled $80 million which reflect the cost of acquiring energy to cover our contractual obligations for our wind assets that were not generating during the period due to freezing conditions, net of hedging initiatives. The total consolidated impact of the Texas winter storm, net of the $52 million of revenues noted above, amounted to a $28 million loss, of which Brookfield Renewable's share was not material.

Management service costs totaling $224 million represents an increase of $73 million over the same period in the prior year due to the growth of our business.

Interest expense totaling $726 million represents a decrease of $7 million over the same period in the prior year due to the benefit of recent refinancing activities that reduced our average cost of borrowing, partially offset by the growth of our business and the impact of foreign exchange movements noted above.

Depreciation expense totaling $1,120 million represents an increase of $90 million over the same period in the prior year due to the growth of our business and the impact of foreign exchange movements.

Income tax expense totaling $128 million represents an increase of $127 million over the same period in the prior year due to a new tax legislation that was passed during the period that impacted deferred taxes at our Colombian business.

Net loss totaling $99 million increased by $59 million over the same period in 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)	**September 30, 2021**	December 31, 2020
Assets held for sale	**$ 57**	$ 57
Current assets	**2,341**	1,742
Equity-accounted investments	**952**	971
Property, plant and equipment, at fair value	**44,031**	44,590
Total assets	**49,887**	49,722
Liabilities directly associated with assets held for sale	**6**	14
Corporate borrowings	**2,792**	2,135
Non-recourse borrowings	**17,498**	15,947
Deferred income tax liabilities	**5,350**	5,515
Total liabilities and equity	**49,887**	49,722
	Spot FX rates to USD	
C$	**1.27**	1.27
€	**0.86**	0.82
R$	**5.44**	5.20
COP	**3,835**	3,432

Property, plant and equipment

Property, plant and equipment totaled $44.0 billion as at September 30, 2021 compared to $44.6 billion as at December 31, 2020. The $0.6 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 $1.2 billion, and depreciation expense associated with property, plant and equipment of $1.1 billion. During the year, we disposed a 391 MW wind portfolio in the United States, a 656 MW operating and development wind portfolio in Ireland and a 271 MW development wind portfolio in Scotland, which decreased property, plant and equipment by $1.6 billion. The decrease was partially offset by the acquisition of an 845 MW wind portfolio as well as a distributed generation platform comprised of 360 MW of operating and under construction assets and over 700 MW of development assets in the United States, and our continued investments in the development of power generating assets and our sustaining capital expenditure all of which increased property, plant and equipment by $3.3 billion.

RELATED PARTY TRANSACTIONS

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

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

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

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

Directors of the relevant entities, among other things, and therefore provide Brookfield Renewable with control. Accordingly, Brookfield Renewable consolidates the accounts of these entities.

Brookfield Renewable participates with institutional investors in Brookfield Americas Infrastructure Fund, Brookfield Infrastructure Fund II, Brookfield Infrastructure Fund III, Brookfield Infrastructure Fund IV, Brookfield Infrastructure Debt Fund and Brookfield Global Transition 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 2021 and the draws bear interest at an applicable interest rate plus up to 1.8%. 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 as at September 30, 2021 (December 31, 2020: $325 million). The interest expense on the Brookfield Asset Management revolving credit facility and deposit for the three and nine months ended September 30, 2021, totaled $1 and $2 million, respectively (2020: nil and $1 million, respectively).

In addition, our company has executed, amended, or terminated other agreements with Brookfield that are described in Note 18 – Related party transactions in the unaudited interim consolidated financial statements.

The following table reflects the related party agreements and transactions in the unaudited interim consolidated statements of income for the three and nine months ended September 30:

	Three months ended September 30		Nine months ended September 30	
(MILLIONS)	**2021**	2020	**2021**	2020
Revenues				
Power purchase and revenue agreements	**$ 6**	$ 32	**$ 89**	$ 213
Direct operating costs				
Energy purchases	**$ —**	$ 1	**$ —**	$ 1
Energy marketing fee & other services	**(3)**	(1)	**(8)**	(2)
Insurance services(1)	**—**	(4)	**—**	(18)
	$ (3)	$ (4)	**$ (8)**	$ (19)
Interest expense				
Borrowings	**$ (1)**	$ —	**$ (2)**	$ (1)
Contract balance accretion	**(1)**	(1)	**(10)**	(9)
	$ (2)	$ (1)	**$ (12)**	$ (10)
Management service costs	**$ (71)**	$ (65)	**$ (224)**	$ (151)

(1) Insurance services were paid to a subsidiary of Brookfield Asset Management that brokers external insurance providers on behalf of Brookfield Renewable. Beginning in 2020, insurance services were paid for directly to external insurance providers. The fees paid to the subsidiary of Brookfield Asset Management for the three and nine months ended September 30, 2020 were 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. As at September 30, 2021, to the extent that LP unit distributions exceed $0.2000 per LP unit per quarter, the incentive is 15% of distributions above this threshold. To the extent that LP unit distributions exceed $0.2253 per LP unit per quarter, the incentive distribution is equal to 25% of distributions above this threshold. Incentive distributions of $20 million and $60 million were declared during the three and nine months ended September 30, 2021, respectively (2020: $17 million and $48 million, respectively).

Preferred equity

The Class A Preference Shares of Brookfield Renewable Power Preferred Equity Inc. ("BRP Equity") do not have a fixed maturity date and are not redeemable at the option of the holders. As at September 30, 2021, none of the issued Class A, Series 5 and 6 Preference Shares have been redeemed by BRP Equity.

In July 2021, the Toronto Stock Exchange accepted notice of BRP Equity's intention to renew the normal course issuer bid in connection with its outstanding Class A Preference Shares for another year to July 8, 2022, or earlier should the repurchases be completed prior to such date. Under this normal course issuer bid, Brookfield Renewable is permitted to repurchase up to 10% of the total public float for each respective series of the Class A Preference Shares. Shareholders may receive a copy of the notice, free of charge, by contacting Brookfield Renewable. There were no repurchases of Class A Preference Shares during 2021 in connection with the normal course issuer bid.

Perpetual subordinated notes

In April 2021, Brookfield BRP Holdings (Canada) Inc., a wholly-owned subsidiary of Brookfield Renewable, issued $350 million of perpetual subordinated notes at a fixed rate of 4.625%. The perpetual subordinated notes are classified as a separate class of non-controlling interest on Brookfield Renewable's consolidated statements of financial position. Brookfield Renewable incurred interest of $4 million and $7 million on the perpetual subordinated notes during the three and nine months ended September 30, 2021. Interest incurred on the perpetual subordinated notes are presented as distributions in the consolidated statements of changes in equity. The carrying value of the perpetual subordinated notes, net of transaction costs, is $340 million as at September 30, 2021.

Preferred limited partners' equity

The Class A Preferred Limited Partnership Units ("Preferred units") of Brookfield Renewable do not have a fixed maturity date and are not redeemable at the option of the holders. As at September 30, 2021, none of the Class A, Series 5 Preferred Limited Partnership Units have been redeemed by Brookfield Renewable.

In the third quarter of 2021, Brookfield Renewable redeemed all of the outstanding units of Series 9 Preferred Limited Partnership units for C$200 million or C$25 per Preferred Limited Partnership Unit.

In July 2021, the Toronto Stock Exchange accepted notice of Brookfield Renewable's intention to renew the normal course issuer bid in connection with the outstanding Preferred units for another year to July 8, 2022, or earlier should the repurchases be completed prior to such date. Under this normal course issuer bid, Brookfield Renewable is permitted to repurchase up to 10% of the total public float for each respective series of its Preferred units. Preferred unit holders may receive a copy of the notice, free of charge, by contacting Brookfield Renewable. There were no repurchases of Preferred units during 2021 in connection with the normal course issuer bid.

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

As at September 30, 2021, Brookfield Asset Management owns, directly and indirectly, 308,051,190 LP units, Redeemable/Exchangeable partnership units, and BEPC exchangeable shares representing approximately 48% of Brookfield Renewable on a fully-exchanged basis (assuming the exchange of all of the outstanding Redeemable/ Exchangeable partnership units and BEPC exchangeable shares) and the remaining approximately 52% is held by public investors.

During the three and nine months ended September 30, 2021, Brookfield Renewable issued 63,127 LP units and 156,794 LP units, respectively (2020: 46,074 LP units and 150,528 LP units, respectively) under the distribution reinvestment plan at a total value of $2 million and $6 million, respectively (2020: $2 million and $5 million, respectively).

During the three and nine months ended September 30, 2021, exchangeable shareholders of BEPC exchanged 4,766 and 14,408 BEPC exchangeable shares (2020: 127,746 shares during the same periods) for an equivalent number of LP units amounting to less than $1 million LP units (2020: $1 million).

In December 2020, Brookfield Renewable renewed its normal course issuer bid in connection with its LP units and entered into a normal course issuer bid for its outstanding BEPC exchangeable shares. Brookfield Renewable is authorized to repurchase up to 13,740,072 LP units and 8,609,220 BEPC exchangeable shares, representing approximately 5% of each of its issued and outstanding LP units and BEPC exchangeable shares. The bid will expire on December 15, 2021, or earlier should Brookfield Renewable complete its repurchases prior to such date. There were no LP units or BEPC exchangeable shares repurchased during the three and nine months ended September 30, 2021 and 2020.

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 SEPTEMBER 30

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

	(GWh)				(MILLIONS)							
	Actual Generation		LTA Generation		Revenues		Adjusted EBITDA		Funds From Operations		Net Income (Loss)	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Hydroelectric												
North America	**2,333**	2,151	**2,441**	2,441	**$ 172**	$ 160	**$ 108**	$ 95	**$ 71**	$ 60	**$ 10**	$ (18)
Brazil	**552**	663	**1,011**	1,011	**34**	36	**48**	32	**43**	24	**19**	4
Colombia	**1,045**	792	**858**	843	**54**	49	**40**	32	**28**	23	**(19)**	15
	3,930	3,606	**4,310**	4,295	**260**	245	**196**	159	**142**	107	**10**	1
Wind												
North America	**797**	832	**975**	1,008	**64**	57	**64**	45	**48**	24	**(38)**	(23)
Europe	**168**	209	**174**	217	**18**	27	**17**	19	**11**	13	**(4)**	(20)
Brazil	**194**	199	**208**	208	**10**	10	**9**	9	**7**	7	**2**	5
Asia	**107**	105	**121**	121	**8**	7	**5**	6	**3**	6	**1**	4
	1,266	1,345	**1,478**	1,554	**100**	101	**95**	79	**69**	50	**(39)**	(34)
Solar	**556**	512	**651**	592	**101**	90	**91**	79	**61**	51	**18**	(3)
Energy transition(1)	**373**	290	**258**	177	**87**	46	**58**	37	**48**	33	**13**	6
Corporate	**—**	—	**—**	—	**—**	—	**6**	17	**(110)**	(84)	**(117)**	(132)
Total	**6,125**	5,753	**6,697**	6,618	**$ 548**	$ 482	**$ 446**	$ 371	**$ 210**	$ 157	**$ (115)**	$ (162)

(1) Actual generation includes 157 GWh (2020:136 GWh) from facilities that do not have a corresponding long-term average. See Part 8 – Presentation to Stakeholders and Performance Measurement for why we do not consider long-term average for certain of our facilities.

HYDROELECTRIC OPERATIONS ON PROPORTIONATE BASIS

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

(MILLIONS, EXCEPT AS NOTED)		2021		2020
Generation (GWh) – LTA		***4,310***		*4,295*
Generation (GWh) – actual		***3,930***		*3,606*
Revenue	**$**	**260**	$	245
Other income		**34**	$	22
Direct operating costs		**(98)**		(108)
Adjusted EBITDA		**196**		159
Interest expense		**(49)**		(49)
Current income taxes		**(5)**		(3)
Funds From Operations	**$**	**142**	$	107
Depreciation		**(86)**		(81)
Deferred taxes and other		**(46)**		(25)
Net income	**$**	**10**	$	1

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

	Actual Generation (GWh)		Average revenue per MWh[1]		Adjusted EBITDA		Funds From Operations		Net Income	
(MILLIONS, EXCEPT AS NOTED)	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
North America										
United States	**1,907**	1,587	**$ 71**	$ 62	**$ 82**	$ 65	**$ 57**	$ 42	**$ 6**	$ (15)
Canada	**426**	564	**73**	71	**26**	30	**14**	18	**4**	(3)
	2,333	2,151	**71**	65	**108**	95	**71**	60	**10**	(18)
Brazil	**552**	663	**62**	59	**48**	32	**43**	24	**19**	4
Colombia[2]	**1,045**	792	**56**	57	**40**	32	**28**	23	**(19)**	15
Total	**3,930**	3,606	**$ 66**	$ 62	**$ 196**	$ 159	**$ 142**	$ 107	**$ 10**	$ 1

(1) Includes realized foreign exchange hedge gains of approximately $5 million included in other income in 2021.
(2) Average revenue per MWh was adjusted to net the impact of power purchases.

North America

Funds From Operations at our North American business was $71 million versus $60 million in the prior year as the benefit from strong asset availability, higher average revenue per MWh primarily due to the benefit of inflation indexation, and favorable generation at our hydroelectric assets in the United States were partially offset by lower generation at our hydroelectric facilities in Canada.

Net income attributable to Unitholders was $10 million versus a net loss of $18 million in the prior year primarily due to the above noted increase in Funds From Operations and higher unrealized gains on our revenue hedging activities.

Brazil

Funds From Operations at our Brazilian business was $43 million versus $24 million in the prior year as the benefit from higher average revenue per MWh due to inflation indexation and recontracting initiatives and the finalization of the positive ruling regarding historical under allocation of generation to our facilities under the centralized pooling mechanism in Brazil were partially offset by generation that was below long-term average.

Net income attributable to Unitholders was $19 million versus $4 million in the prior year primarily due to the above noted increase in Funds From Operations.

Colombia

Funds From Operations at our Colombian business was $28 million versus $23 million in the prior year. Funds from operation was 22% higher than the prior year as the benefit from cost saving initiatives, higher generation (22% above long-term average) and higher average revenue per MWh on our contracted generation due to inflation indexation and recontracting initiative were partially offset by lower market prices realized on our uncontracted generation compared to prior year where market prices were high due to unseasonably low system-wide hydrology. Funds From Operations also benefited from the acquisition of 40 MW of hydroelectric facilities during the first quarter of 2021 ($1 million and 20 GWh).

Net loss attributable to Unitholders was $19 million versus a net income of $15 million in the prior year as the above noted increase in Funds From Operations was more than offset by a one-time deferred tax expense as a result of tax legislation that passed during the quarter.

WIND OPERATIONS ON PROPORTIONATE BASIS

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

(MILLIONS, EXCEPT AS NOTED)	2021	2020
Generation (GWh) – LTA	***1,478***	*1,554*
Generation (GWh) – actual	***1,266***	*1,345*
Revenue	**$ 100**	$ 101
Other income	**23**	8
Direct operating costs	**(28)**	(30)
Adjusted EBITDA	**95**	79
Interest expense	**(21)**	(28)
Current income taxes	**(5)**	(1)
Funds From Operations	**69**	50
Depreciation	**(75)**	(77)
Deferred taxes and other	**(33)**	(7)
Net income (loss)	**$ (39)**	$ (34)

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

	Actual Generation (GWh)		Average revenue per MWh		Adjusted EBITDA		Funds From Operations		Net Income (Loss)	
(MILLIONS, EXCEPT AS NOTED)	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
North America										
United States	**625**	660	**$ 75**	$ 64	**$ 53**	$ 32	**$ 43**	$ 17	**$ (24)**	$ (10)
Canada	**172**	172	**99**	94	**11**	13	**5**	7	**(14)**	(13)
	797	832	**80**	71	**64**	45	**48**	24	**(38)**	(23)
Europe[(1)]	**168**	209	**122**	119	**17**	19	**11**	13	**(4)**	(20)
Brazil	**194**	199	**54**	52	**9**	9	**7**	7	**2**	5
Asia	**107**	105	**89**	82	**5**	6	**3**	6	**1**	4
Total	**1,266**	1,345	**$ 82**	$ 76	**$ 95**	$ 79	**$ 69**	$ 50	**$ (39)**	$ (34)

(1) Average revenue per MWh was adjusted to normalize the quarterly impact of the market pricing on our regulated assets in Spain.

North America

Funds From Operations at our North American business was $48 million versus $24 million in the prior year primarily due to growth from our increased ownership in TerraForm Power and the acquisition of an 845 MW wind portfolio in Oregon which in aggregate contributed $4 million and 26 GWh (net of asset sales) and a gain on the sale of development assets in the United States. On a same store basis, Funds From Operations was consistent with the prior year as the benefit of higher average revenue per MWh due to generation mix in higher priced markets was offset by lower resource.

Net loss attributable to Unitholders was $38 million versus $23 million in the prior year primarily as the above noted increase in Funds From Operations was more than offset by higher unrealized hedging gains on our financial instruments in the prior year.

Europe

Funds From Operations at our European business was $11 million versus $13 million in the prior year primarily due to the sale of our Irish wind portfolio in the second quarter of 2021. On a same store basis, Funds From Operations was in line with the prior year.

Net loss attributable to Unitholders was $4 million versus $20 million in the prior year primarily due to the sale of Irish wind portfolio.

Brazil

Funds From Operations at our Brazilian business of $7 million was consistent with the prior year as the benefit from inflation indexation of our contracts was offset by lower resource.

Net income attributable to Unitholders was $2 million versus $5 million in the prior year as the above impact to Funds From Operations was more than offset by higher depreciation expense due to the strengthening of the Brazilian Reais versus the U.S. dollar.

Asia

Funds From Operations at our Asian business was $3 million versus $6 million in the prior year as the benefit from higher average revenue per MWh was more than offset by higher interest expense as a result of recent financing initiatives.

Net income attributable to Unitholders was $1 million versus $4 million in the prior year primarily due to the above noted decrease in Funds From Operations.

SOLAR OPERATIONS ON PROPORTIONATE BASIS

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

(MILLIONS, EXCEPT AS NOTED)		**2021**		2020
Generation (GWh) – LTA		***651***		*592*
Generation (GWh) – actual		***556***		*512*
Revenue	**$**	**101**	$	90
Other income		**10**		7
Direct operating costs		**(20)**		(18)
Adjusted EBITDA		**91**		79
Interest expense		**(30)**		(27)
Current income taxes		**—**		(1)
Funds From Operations	**$**	**61**	$	51
Depreciation		**(42)**		(38)
Deferred taxes and other		**(1)**		(16)
Net income	**$**	**18**	$	(3)

Funds From Operations at our solar business were $61 million versus $51 million in the prior year primarily due to the contribution from our increased ownership in TerraForm Power and newly commissioned facilities, net of asset sales ($7 million and 65 GWh). On a same store basis, Funds From Operations was consistent with prior year.

Net income attributable to Unitholders at our solar business was $18 million versus a net loss of $3 million in the same period in the prior year primarily due to the above noted increase in Funds From Operations.

ENERGY TRANSITION OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for energy transition business for the three months ended September 30:

(MILLIONS, EXCEPT AS NOTED)		**2021**		2020
Generation (GWh) – LTA		***258***		*177*
Generation (GWh) – actual		***373***		*290*
Revenue	**$**	**87**	$	46
Other income		**4**		7
Direct operating costs		**(33)**		(16)
Adjusted EBITDA		**58**		37
Interest expense		**(9)**		(4)
Other		**(1)**		—
Funds From Operations	**$**	**48**	$	33
Depreciation		**(19)**		(13)
Deferred taxes and other		**(16)**		(14)
Net income (loss)	**$**	**13**	$	6

Funds From Operations at our energy transition business was $48 million versus $33 million in the prior year due to the growth of our distributed generation portfolio and other acquisitions ($10 million and 76 GWh). On a same store basis, Funds From Operations increased over the prior year due to higher pricing for grid stability services provided by our United Kingdom pumped storage facility on the back of higher and more volatile power prices.

Net income attributable to Unitholders was $13 million versus $6 million in the prior year primarily due to the above noted increase to Funds From Operations.

CORPORATE

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

(MILLIONS, EXCEPT AS NOTED)		**2021**		2020
Other income	**$**	**14**	$	21
Direct operating costs		**(8)**		(4)
Adjusted EBITDA		**6**		17
Management service costs		**(71)**		(59)
Interest expense		**(21)**		(21)
Current income taxes		**—**		(1)
Distributions on Preferred LP units, Preferred Shares and Perpetual Subordinated Notes		**(24)**		(20)
Funds From Operations	**$**	**(110)**	$	(84)
Deferred taxes and other		**(7)**		(48)
Net loss	**$**	**(117)**	$	(132)

Management service costs totaling $71 million increased $12 million compared to the same period in the prior year due to the growth of our business.

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 September 30, 2021:

	Attributable to Unitholders													
	Hydroelectric			Wind										
(MILLIONS)	North America	Brazil	Colombia	North America	Europe	Brazil	Asia	Solar	Energy transition	Corporate	Total	Contribution from equity-accounted investments	Attributable to non-controlling interests	As per IFRS financials[(1)]
Revenues	$ 172	$ 34	$ 54	$ 64	$ 18	$ 10	$ 8	$ 101	$ 87	$ —	$ 548	$ (42)	$ 460	$ 966
Other income	3	26	5	20	3	(1)	1	10	4	14	85	(5)	(38)	42
Direct operating costs	(67)	(12)	(19)	(20)	(4)	—	(4)	(20)	(33)	(8)	(187)	23	(128)	(292)
Share of Adjusted EBITDA from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	24	11	35
Adjusted EBITDA	108	48	40	64	17	9	5	91	58	6	446	—	305	
Management service costs	—	—	—	—	—	—	—	—	—	(71)	(71)	—	—	(71)
Interest expense	(38)	(3)	(8)	(15)	(3)	(1)	(2)	(30)	(9)	(21)	(130)	9	(126)	(247)
Current income taxes	1	(2)	(4)	(1)	(3)	(1)	—	—	(1)	—	(11)	2	(13)	(22)
Distributions attributable to:														
Preferred limited partners equity	—	—	—	—	—	—	—	—	—	(14)	(14)	—	—	(14)
Preferred equity	—	—	—	—	—	—	—	—	—	(6)	(6)	—	—	(6)
Perpetual subordinated notes	—	—	—	—	—	—	—	—	—	(4)	(4)	—	—	(4)
Share of interest and cash taxes from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	(11)	(11)	(22)
Share of Funds From Operations attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	(155)	(155)
Funds From Operations	71	43	28	48	11	7	3	61	48	(110)	210	—	—	
Depreciation	(63)	(17)	(6)	(54)	(14)	(5)	(2)	(42)	(19)	(1)	(223)	6	(156)	(373)
Foreign exchange and financial instruments gain (loss)	8	(4)	(1)	(9)	2	1	—	6	(4)	3	2	(1)	20	21
Deferred income tax recovery (expense)	8	(1)	(36)	9	(2)	—	—	3	(2)	14	(7)	5	(119)	(121)
Other	(14)	(2)	(4)	(32)	(1)	(1)	—	(10)	(10)	(23)	(97)	7	37	(53)
Share of earnings from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	(17)	—	(17)
Net loss attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	218	218
Net income (loss) attributable to Unitholders[(2)]	$ 10	$ 19	$ (19)	$ (38)	$ (4)	$ 2	$ 1	$ 18	$ 13	$ (117)	$ (115)	$ —	$ —	$ (115)

(1) Share of loss from equity-accounted investments of $4 million is comprised of amounts found on the share of Adjusted EBITDA, share of interest and cash taxes and share of earnings lines. Net income attributable to participating non-controlling interests – in operating subsidiaries of $63 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, BEPC exchangeable shares and LP units. Total net income (loss) includes amounts attributable to Unitholders, non-controlling interests, preferred limited partners equity, preferred equity and perpetual subordinated notes.

The following table reflects Adjusted EBITDA, Funds From Operations and provides reconciliation to net income (loss) attributable to Unitholders for the three months ended September 30, 2020:

	Attributable to Unitholders													
	Hydroelectric			Wind										
(MILLIONS)	North America	Brazil	Colombia	North America	Europe	Brazil	Asia	Solar	Energy transition	Corporate	Total	Contribution from equity-accounted investments	Attributable to non-controlling interests	As per IFRS financials[(1)]
Revenues	$ 160	$ 36	$ 49	$ 57	$ 27	$ 10	$ 7	$ 90	$ 46	$ —	$ 482	$ (16)	$ 401	$ 867
Other income	13	7	2	3	2	1	2	7	7	21	65	(1)	(52)	12
Direct operating costs	(78)	(11)	(19)	(15)	(10)	(2)	(3)	(18)	(16)	(4)	(176)	9	(114)	(281)
Share of Adjusted EBITDA from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	8	5	13
Adjusted EBITDA	95	32	32	45	19	9	6	79	37	17	371	—	240	
Management service costs	—	—	—	—	—	—	—	—	—	(59)	(59)	—	(6)	(65)
Interest expense	(35)	(7)	(7)	(20)	(6)	(2)	—	(27)	(4)	(21)	(129)	4	(108)	(233)
Current income taxes	—	(1)	(2)	(1)	—	—	—	(1)	—	(1)	(6)	1	(8)	(13)
Distributions attributable to:														
Preferred limited partners equity	—	—	—	—	—	—	—	—	—	(14)	(14)	—	—	(14)
Preferred equity	—	—	—	—	—	—	—	—	—	(6)	(6)	—	—	(6)
Share of interest and cash taxes from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	(5)	(2)	(7)
Share of Funds From Operations attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	(116)	(116)
Funds From Operations	60	24	23	24	13	7	6	51	33	(84)	157	—	—	
Depreciation	(60)	(16)	(5)	(54)	(18)	(3)	(2)	(38)	(13)	(1)	(210)	7	(166)	(369)
Foreign exchange and financial instruments gain (loss)	(25)	—	1	28	(1)	2	2	(28)	—	(12)	(33)	3	68	38
Deferred income tax recovery (expense)	20	—	(2)	7	3	—	—	4	(3)	10	39	1	—	40
Other	(13)	(4)	(2)	(28)	(17)	(1)	(2)	8	(11)	(45)	(115)	2	3	(110)
Share of earnings from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	(13)	2	(11)
Net loss attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	93	93
Net income (loss) attributable to Unitholders[(2)]	$ (18)	$ 4	$ 15	$ (23)	$ (20)	$ 5	$ 4	$ (3)	$ 6	$ (132)	$ (162)	$ —	$ —	$ (162)

(1) Share of loss from equity-accounted investments of $5 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 $23 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 measures to the most directly comparable IFRS measures. Net income attributable to Unitholders is reconciled to Funds From Operations and reconciled to Proportionate Adjusted EBITDA for the three months ended September 30:

(MILLIONS, EXCEPT AS NOTED)	**2021**	2020
Net income (loss) attributable to:		
Limited partners' equity	**$ (58)**	$ (92)
General partnership interest in a holding subsidiary held by Brookfield	**19**	15
Participating non-controlling interests – in a holding subsidiary – Redeemable/ Exchangeable units held by Brookfield	**(40)**	(67)
BEPC exchangeable shares	**(36)**	(18)
Net income (loss) attributable to Unitholders	**$ (115)**	$ (162)
Depreciation	**223**	210
Foreign exchange and financial instruments (gain) loss	**(2)**	33
Deferred income tax expense (recovery)	**7**	(39)
Other	**97**	115
Funds From Operations	**$ 210**	$ 157
Distributions attributable to:		
Preferred limited partners' equity	**14**	14
Preferred equity	**6**	6
Perpetual subordinated notes	**4**	—
Current income taxes	**11**	6
Interest expense	**130**	129
Management service costs	**71**	59
Proportionate Adjusted EBITDA	**446**	371
Attributable to non-controlling interests	**305**	240
Consolidated Adjusted EBITDA	**$ 751**	$ 611

The following table reconciles the per unit non-IFRS financial measures to the most directly comparable IFRS measures. Basic income per LP unit is reconciled to Funds From Operations per Unit, for the three months ended September 30:

	Three months ended September 30	
	2021	2020
Basic income (loss) per LP unit[1]	**$ (0.21)**	$ (0.29)
Depreciation	**0.35**	0.34
Foreign exchange and financial instruments loss	**—**	0.05
Deferred income tax (recovery) expense	**0.01**	(0.06)
Other	**0.18**	0.21
Funds From Operations per Unit[2]	**$ 0.33**	$ 0.25

(1) During the three months ended September 30, 2021, on average there were 274.9 million LP units outstanding (2020: 272.6 million).
(2) Average units outstanding, for the three months ended September 30, 2021, were 645.6 million (2020: 624.6 million), being inclusive of GP interest, Redeemable/Exchangeable partnership units, BEPC exchangeable shares 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 72%, 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 2021	2022	2023	2024	2025
Hydroelectric					
North America					
United States[(1)]	1,821	7,238	5,348	4,663	4,645
Canada	501	2,097	2,019	2,006	2,006
	2,322	9,335	7,367	6,669	6,651
Wind					
North America					
United States	669	2,597	2,597	2,032	2,032
Canada	392	1,352	1,352	1,352	1,352
	1,061	3,949	3,949	3,384	3,384
Europe	250	912	912	912	911
Asia	78	372	372	349	349
	1,389	5,233	5,233	4,645	4,644
Solar - Utility	310	1,845	1,843	1,838	1,836
Energy transition	140	856	856	856	850
Contracted on a proportionate basis	4,161	17,269	15,299	14,008	13,981
Uncontracted on a proportionate basis	787	3,453	5,423	6,714	6,741
Long-term average on a proportionate basis	4,948	20,722	20,722	20,722	20,722
Non-controlling interests	3,866	16,073	16,073	16,073	16,073
Total long-term average	8,814	36,795	36,795	36,795	36,795
Contracted generation as a % of total generation on a proportionate basis	84 %	83 %	74 %	68 %	67 %
Price per MWh – total generation on a proportionate basis	$ 83	$ 90	$ 97	$ 102	$ 102

(1) Includes generation of 559 GWh for 2021, 2,659 GWh for 2022, and 681 GWh for 2023 secured under financial contracts.

Weighted-average remaining contract durations on a proportionate basis are 16 years in North America, 14 years in Europe, 10 years in Brazil, 3 years in Colombia, and 17 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 expect a net positive impact to cash flows.

In our Colombian portfolio, 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 (39%), distribution companies (28%), industrial users (16%) and Brookfield (17%).

PART 5 – LIQUIDITY AND CAPITAL RESOURCES

CAPITALIZATION

A key element of our financing strategy is to raise the majority of our debt in the form of asset-specific, non-recourse borrowings at our subsidiaries on an investment-grade basis with no maintenance covenants. Substantially all of our debt is either investment grade rated or sized to investment grade and approximately 90% of debt is project level.

The following table summarizes our capitalization:

	Corporate		Consolidated	
(MILLIONS, EXCEPT AS NOTED)	**September 30, 2021**	December 31, 2020	**September 30, 2021**	December 31, 2020
Corporate credit facility[1]	**$ 150**	$ —	**$ 150**	$ —
Commercial paper[1]	**500**	3	**500**	3
Debt				
Medium term notes[2]	**2,149**	2,140	**2,149**	2,140
Non-recourse borrowings[3]	**—**	—	**17,452**	16,006
	2,149	2,140	**19,601**	18,146
Deferred income tax liabilities, net[4]	**—**	—	**5,130**	5,310
Equity				
Non-controlling interest	**—**	—	**10,942**	11,100
Preferred equity	**610**	609	**610**	609
Perpetual subordinated notes	**340**	—	**340**	—
Preferred limited partners' equity	**881**	1,028	**881**	1,028
Unitholders' equity	**7,494**	9,030	**7,494**	9,030
Total capitalization	**$ 11,474**	$ 12,807	**$ 44,998**	$ 45,223
Debt-to-total capitalization	**19 %**	17 %	**44 %**	40 %
Debt-to-total capitalization (market value)[5]	**8 %**	6 %	**32 %**	27 %

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

(2) Medium term notes are unsecured and guaranteed by Brookfield Renewable and excludes $7 million (2020: $8 million) of deferred financing fees, net of unamortized premiums.

(3) Consolidated non-recourse borrowings includes $41 million (2020: $15 million) borrowed under a subscription facility of a Brookfield sponsored private fund and excludes $118 million (2020: $122 million) of deferred financing fees and $164 million (2020: $63 million) of unamortized premiums.

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

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

AVAILABLE LIQUIDITY

The following table summarizes the available liquidity:

(MILLIONS)	September 30, 2021	December 31, 2020
Brookfield Renewable's share of cash and cash equivalents	**$ 340**	$ 291
Investments in marketable securities	**170**	183
Corporate credit facilities		
Authorized credit facilities	**2,375**	2,150
Draws on credit facilities	**(150)**	—
Authorized letter of credit facility	**400**	400
Issued letters of credit	**(270)**	(300)
Available portion of corporate credit facilities	**2,355**	2,250
Available portion of subsidiary credit facilities on a proportionate basis	**453**	546
Available liquidity	**$ 3,318**	$ 3,270

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, upfinancings 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:

	September 30, 2021			December 31, 2020		
	Weighted-average			Weighted-average		
(MILLIONS EXCEPT AS NOTED)	**Interest rate (%)**	**Term (years)**	**Total**	Interest rate (%)	Term (years)	Total
Corporate borrowings						
Medium term notes	**3.9**	**13**	**$ 2,149**	3.9	14	$ 2,140
Credit facilities	**1.3**	**5**	**150**	N/A	4	—
Commercial paper	**0.2**	**<1**	**500**	0.4	<1	3
Proportionate non-recourse borrowings						
Hydroelectric	**4.7**	**8**	**4,395**	4.6	9	4,123
Wind	**3.9**	**9**	**2,351**	3.9	10	2,540
Solar	**3.3**	**12**	**2,642**	3.3	13	2,534
Energy transition	**3.4**	**9**	**1,029**	4.0	11	864
	4.0	**10**	**10,417**	4.0	11	10,061
			13,216			12,204
Proportionate unamortized financing fees, net of unamortized premiums			**(25)**			(45)
			13,191			12,159
Equity-accounted borrowings			**(340)**			(332)
Non-controlling interests			**7,439**			6,255
As per IFRS Statements			**$ 20,290**			$ 18,082

The following table summarizes our undiscounted principal repayments and scheduled amortization on a proportionate basis as at September 30, 2021:

(MILLIONS)	Balance of 2021	2022	2023	2024	2025	Thereafter	Total
Debt Principal repayments[1]							
Medium term notes[2]	$ —	$ —	$ —	$ —	$ 315	$ 1,834	$ 2,149
Non-recourse borrowings							
Credit facilities[3]	7	51	2	182	—	—	242
Hydroelectric	—	208	462	79	451	1,359	2,559
Wind	—	—	216	—	—	511	727
Solar	—	16	135	—	5	423	579
Transition	—	39	206	—	152	144	541
	7	314	1,021	261	608	2,437	4,648
Amortizing debt principal repayments							
Non-recourse borrowings							
Hydroelectric	21	103	97	103	96	1,017	1,437
Wind	50	151	157	163	160	879	1,560
Solar	62	147	142	136	137	1,362	1,986
Transition	15	60	54	39	32	260	460
	148	461	450	441	425	3,518	5,443
Total	$ 155	$ 775	$ 1,471	$ 702	$ 1,348	$ 7,789	$ 12,240

(1) Draws on corporate credit facilities and commercial paper issuances are excluded from the debt repayment schedule as they are not a permanent source of capital.
(2) Medium term notes are unsecured and guaranteed by Brookfield Renewable and excludes $7 million (2020: $8 million) of deferred financing fees, net of unamortized premiums.
(3) Excludes $326 million of credit facility draws related to collateral deposits on our energy derivative contracts

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

CAPITAL EXPENDITURES

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

To fund large scale development projects and acquisitions, we will evaluate a variety of capital sources including proceeds from selling mature businesses, in addition to raising money in the capital markets through equity, debt and preferred share issuances. Furthermore, our company has $2.38 billion committed revolving credit facilities available for investments and acquisitions, as well as funding the equity component of organic growth initiatives. The facilities are intended, and have historically been used, as a bridge to a long-term financing strategy rather than a permanent source of capital.

CONSOLIDATED STATEMENTS OF CASH FLOWS

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

(MILLIONS)	Three months ended September 30		Nine months ended September 30	
	2021	2020	**2021**	2020
Cash flow provided by (used in):				
Operating activities before changes in due to or from related parties and net working capital change	**$ 353**	$ 276	**$ 1,053**	$ 1,108
Changes in due to or from related parties	**(58)**	52	**5**	57
Net change in working capital balances	**(67)**	(144)	**(586)**	(148)
	228	184	**472**	1,017
Financing activities	**(314)**	(5)	**1,204**	(461)
Investing activities	**89**	(183)	**(1,550)**	(405)
Foreign exchange gain (loss) on cash	**(10)**	—	**(16)**	(10)
(Decrease) Increase in cash and cash equivalents	**$ (7)**	$ (4)	**$ 110**	$ 141

Operating Activities

Cash flows provided by operating activities before changes in due to or from related parties and net working capital changes for the three and nine months ended September 30, 2021 totaled $353 million and $1,053 million, respectively, compared to $276 million and $1,108 million in 2020, respectively, reflecting the strong operating performance of our business during the period.

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

(MILLIONS)	Three months ended September 30		Nine months ended September 30	
	2021	2020	**2021**	2020
Trade receivables and other current assets	**$ (158)**	$ (100)	**$ (441)**	$ (19)
Accounts payable and accrued liabilities	**28**	(38)	**(193)**	(76)
Other assets and liabilities	**63**	(6)	**48**	(53)
	$ (67)	$ (144)	**$ (586)**	$ (148)

Financing Activities

Cash flows used in and provided by financing activities totaled $314 million and $1,204 million for the three and nine months ended September 30, 2021, respectively. The strength of our balance sheet and access to diverse sources of capital allowed us to fund our growth and generate $419 million and $1,668 million, respectively, of proceeds from corporate and non-recourse upfinancings for the three and nine months ended September 30, 2021 and the issuance of our inaugural perpetual green subordinated notes of $340 million during the second quarter of 2021. During the three months ended September 30, 2021, we redeemed our Series 9 Preferred Limited Partnership Units for $153 million.

Distributions paid during the three and nine months ended September 30, 2021 to Unitholders were $213 million and $642 million, respectively (2020: $202 million and $567 million, respectively). We increased our distributions to $1.215 per LP unit in 2021 on an annualized basis (2020: $1.16), representing a 5% increase per LP unit, which took effect in the first quarter of 2021. The distributions paid during the three and nine months ended September 30, 2021, to preferred shareholders, preferred limited partners' unitholders and participating non-controlling interests in operating subsidiaries totaled $223 million and $645 million, respectively (2020: $105 million and $425 million). Our non-controlling interest contributed capital, net of capital repaid, of $(137) million and $658 million, respectively, during the three and nine months ended September 30, 2021.

Cash flows used in financing activities totaled $5 million and $461 million for the three and nine months ended September 30, 2020, respectively, as the proceeds raised from our inaugural $200 million Series 17 Preferred Units in the United States during the first quarter of 2020, our issuance of C$350 million ($248 million) ten-year corporate green bonds, and C$425 million ($313 million) thirty-year corporate green bonds and net up-financing proceeds received from non-recourse financings, commercial paper and corporate credit facilities, which were used to fund the growth of our business as discussed below in our investing activities, were more than offset by the repayments of borrowings, including our repayment of C$400 million ($304 million) Series 8 medium term notes prior to maturity.

Investing Activities

Cash flows provided by and used in investing activities totaled $89 million and $1,550 million for the three and nine months ended September 30, 2021, respectively. During the year, we recycled the capital from the sale of wind portfolios in Europe and the United States, which closed in the second and third quarter of 2021 for $379 million and $448 million, respectively, into accretive growth opportunities, investing $1,481 million to acquire, among others, an 845 MW wind portfolio, a distributed generation platform comprised of 360 MW of operating and under construction solar assets with a development pipeline of over 700 MW of development assets in the United States, and a 23% interest in a scale renewable business in Europe with an interest in a 3,000 MW offshore wind development pipeline. Our continued investment in our property, plant and equipment, including the construction of 1,800 MW of solar developments projects in Brazil, of which 357 MW reached commercial operations during the quarter, and the continuing initiative to repower existing wind power projects, was $298 million and $831 million for the three and nine months ended September 30, 2021, respectively.

Cash flows used in investing activities totaled $183 million and $405 million for the three and nine months ended September 30, 2020, respectively. Our growth initiatives included the acquisition of 100 MW of solar assets in Spain and additional investments in financial assets and the development of power generation assets and sustaining capital expenditures totaling $94 million and $419 million in the three and nine months ended September 30, 2020 respectively. Investments were funded by proceeds from our capital recycling initiatives of $16 million and $121 million in the three and nine months ended September 30, 2020, respectively, and from our financing activities noted above.

SHARES, UNITS AND NOTES OUTSTANDING

Shares, units and notes outstanding are as follows:

	September 30, 2021	December 31, 2020
Class A Preference Shares[(1)]	**31,035,967**	31,035,967
Perpetual Subordinated Notes	**14,000,000**	—
Preferred Units[(2)]		
Balance, beginning of year	**52,885,496**	44,885,496
Issuance	—	8,000,000
Redemption of preferred LP Units	**(8,000,000)**	—
Balance, end of period	**44,885,496**	52,885,496
GP interest[(3)]	**3,977,260**	3,977,260
Redeemable/Exchangeable partnership units	**194,487,939**	194,487,939
BEPC exchangeable shares	**172,205,005**	172,180,417
LP units		
Balance, beginning of year	**274,837,890**	268,466,704
Issued pursuant to merger with TerraForm Power	—	6,051,704
Distribution reinvestment plan	**156,794**	182,965
Exchanged for BEPC exchangeable shares	**14,408**	136,517
Balance, end of period	**275,009,092**	274,837,890
Total LP units on a fully-exchanged basis[(3)]	**641,702,036**	641,506,246

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

(2) Preferred Units are broken down by series and certain series are convertible on a one for one basis at the option of the holder as follows: 2,885,496 Series 5 Preferred Units are outstanding; 7,000,000 Series 7 Preferred Units are outstanding (convertible for Series 8 Preferred Units beginning on January 31, 2026); 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 and BEPC exchangeable shares for LP units.

DIVIDENDS AND DISTRIBUTIONS

Dividends and distributions declared and paid are as follows:

	Three months ended September 30				Nine months ended September 30			
	Declared		Paid		Declared		Paid	
(MILLIONS)	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Class A Preference Shares	**$ 6**	$ 6	**$ 6**	$ 6	**$ 19**	$ 19	**$ 19**	$ 19
Perpetual Subordinated Notes	**4**	—	**5**	—	**7**	—	**5**	—
Class A Preferred LP units	**14**	14	**15**	15	**43**	40	**44**	38
Participating non-controlling interests – in operating subsidiaries	**197**	86	**197**	84	**577**	370	**577**	368
GP interest and incentive distributions	**21**	18	**21**	18	**63**	52	**62**	50
Redeemable/Exchangeable partnership units	**59**	51	**57**	56	**176**	193	**175**	198
BEPC Exchangeable shares	**52**	66	**52**	50	**156**	66	**156**	50
LP units	**84**	74	**83**	78	**251**	270	**249**	269

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.

SUPPLEMENTAL FINANCIAL INFORMATION

In April 2021, Brookfield BRP Holdings (Canada) Inc., a wholly-owned subsidiary of Brookfield Renewable, issued perpetual subordinated notes at a fixed rate of 4.625%. These notes are fully and unconditionally guaranteed, on a subordinated basis by each of Brookfield Renewable Partners L.P., BRELP, BRP Bermuda Holdings I Limited, Brookfield BRP Europe Holdings Limited, Brookfield Renewable Investments Limited and BEP Subco Inc (together, the "guarantor subsidiaries"). The other subsidiaries of Brookfield Renewable do not guarantee the securities and are referred to below as the “non-guarantor subsidiaries”.

Pursuant to Rule 13-01 of the SEC's Regulation S-X, the following table provides combined summarized financial information of Brookfield BRP Holdings (Canada) Inc. and the guarantor subsidiaries:

	Three months ended September 30		Nine months ended September 30	
(MILLIONS)	**2021**	2020	**2021**	2020
Revenues[1]	**$ —**	$ —	**$ —**	$ —
Gross profit	**—**	—	**—**	—
Dividend income from non-guarantor subsidiaries	**28**	27	**196**	287
Net income	**3**	9	**189**	259

(1) Brookfield Renewable's total revenues for the three and nine months ended September 30, 2021 were $966 million and $3,005 million, respectively (2020: $867 million and $2,858 million, respectively).

(MILLIONS)	**September 30, 2021**	December 31, 2020
Current assets[1]	**$ 1,117**	**$ 582**
Total assets[2][3]	**2,648**	**1,958**
Current liabilities[4]	**7,520**	**6,544**
Total liabilities[5]	**7,779**	**6,758**

(1) Amount due from non-guarantor subsidiaries was $1,103 million (2020: $567 million).
(2) Brookfield Renewable's total assets as at September 30, 2021 and December 31, 2020 were $49,887 million and $49,722 million.
(3) Amount due from non-guarantor subsidiaries was $2,554 million (2020: $1,856 million).
(4) Amount due to non-guarantor subsidiaries was $6,828 million (2020: $6,048 million).
(5) Amount due to non-guarantor subsidiaries was $6,829 million (2020: $6,049 million).

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 September 30, 2021, letters of credit issued amounted to $924 million (2020: $716 million).

In connection to an adverse summary judgment ruling received in a litigation relating to a historical contract dispute at its subsidiary, TerraForm Power, in which the plaintiffs were awarded approximately $231 million plus 9% annual non-compounding interest that had accrued at the New York State statutory rate since May 2016, a surety bond was posted with the court for the judgment amount plus one year of additional 9% interest on the judgment amount. During the year, TerraForm Power reached a final settlement with the plaintiffs and the surety bond was fully and unconditionally released. See Note 17 – Commitments, contingencies and guarantees in the unaudited interim consolidated financial statements for further details.

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:

	2021			2020				2019
(MILLIONS, EXCEPT AS NOTED)	**Q3**	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Total Generation (GWh) – LTA	*13,776*	*16,092*	*14,099*	*14,333*	*13,446*	*15,527*	*14,151*	*13,850*
Total Generation (GWh) – actual	*13,533*	*14,683*	*13,828*	*13,247*	*12,007*	*13,264*	*14,264*	*12,465*
Proportionate Generation (GWh) – LTA	*6,697*	*8,356*	*7,602*	*7,354*	*6,618*	*7,309*	*6,717*	*6,561*
Proportionate Generation (GWh) – actual	*6,125*	*7,013*	*7,375*	*6,583*	*5,753*	*6,552*	*7,164*	*5,977*
Revenues	**$ 966**	**$ 1,019**	**$ 1,020**	**$ 952**	**$ 867**	**$ 942**	**$ 1,049**	**$ 965**
Net income (loss) to Unitholders	**(115)**	**(63)**	**(133)**	**(120)**	**(162)**	**(42)**	**20**	**(74)**
Basic and diluted income (loss) per LP unit	**(0.21)**	**(0.13)**	**(0.24)**	**(0.22)**	**(0.29)**	**(0.11)**	**0.01**	**(0.15)**
Consolidated Adjusted EBITDA	751	927	686	717	611	673	761	727
Proportionate Adjusted EBITDA	446	510	489	456	371	396	391	348
Funds From Operations	210	268	242	201	157	232	217	171
Funds From Operations per Unit	0.33	0.42	0.38	0.31	0.25	0.40	0.37	0.29
Distribution per LP Unit	0.30	0.30	0.30	0.29	0.29	0.29	0.29	0.27

PROPORTIONATE RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30

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

	(GWh)				(MILLIONS)							
	Actual Generation		LTA Generation		Revenues		Adjusted EBITDA		Funds From Operations		Net Income (Loss)	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Hydroelectric												
North America	**7,911**	9,349	**9,254**	9,254	**$ 567**	$ 642	**$ 377**	$ 457	**$ 265**	$ 352	**$ (2)**	$ 64
Brazil	**2,816**	2,814	**2,997**	2,997	**131**	136	**129**	114	**113**	94	**46**	38
Colombia	**2,850**	2,033	**2,551**	2,511	**160**	154	**117**	93	**88**	67	**23**	49
	13,577	14,196	**14,802**	14,762	**858**	932	**623**	664	**466**	513	**67**	151
Wind												
North America	**2,965**	2,428	**3,856**	2,890	**272**	173	**224**	138	**164**	85	**(94)**	(40)
Europe	**767**	569	**826**	645	**90**	64	**151**	45	**134**	34	**37**	(40)
Brazil	**461**	411	**502**	502	**24**	21	**19**	18	**13**	13	**—**	1
Asia	**348**	305	**338**	339	**24**	20	**17**	17	**11**	13	**3**	5
	4,541	3,713	**5,522**	4,376	**410**	278	**411**	218	**322**	145	**(54)**	(74)
Solar	**1,421**	980	**1,635**	1,172	**280**	168	**231**	148	**144**	88	**9**	(24)
Energy transition[(1)]	**974**	580	**696**	334	**235**	115	**162**	92	**125**	77	**30**	22
Corporate	**—**	—	**—**	—	**—**	—	**18**	36	**(337)**	(217)	**(363)**	(259)
Total	**20,513**	19,469	**22,655**	20,644	**$ 1,783**	$ 1,493	**$ 1,445**	$ 1,158	**$ 720**	$ 606	**$ (311)**	$ (184)

(1) Actual generation includes 352 GWh (2020: 278 GWh) from facilities that do not have a corresponding long-term average. See Part 8 – Presentation to Stakeholders and Performance Measurement for why we do not consider long-term average for certain of our facilities.

RECONCILIATION OF NON-IFRS MEASURES

The following table reflects Adjusted EBITDA, Funds From Operations, Adjusted Funds From Operations and provides a reconciliation to net income (loss) attributable to Unitholders for the nine months ended September 30, 2021:

	Attributable to Unitholders													
	Hydroelectric			Wind										
(MILLIONS)	North America	Brazil	Colombia	North America	Europe	Brazil	Asia	Solar	Energy transition	Corporate	Total	Contribution from equity-accounted investments	Attributable to non-controlling interests	As per IFRS financials[(1)]
Revenues	567	131	160	272	90	24	24	280	235	—	1,783	(119)	1,341	3,005
Other income	20	35	14	28	93	—	1	20	12	41	264	(10)	(7)	247
Direct operating costs	(210)	(37)	(57)	(76)	(32)	(5)	(8)	(69)	(85)	(23)	(602)	59	(447)	(990)
Share of Adjusted EBITDA from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	70	32	102
Adjusted EBITDA	377	129	117	224	151	19	17	231	162	18	1,445	—	919	
Management service costs	—	—	—	—	—	—	—	—	—	(224)	(224)	—	—	(224)
Interest expense	(110)	(10)	(21)	(57)	(14)	(5)	(6)	(86)	(36)	(62)	(407)	22	(341)	(726)
Current income taxes	(2)	(6)	(8)	(3)	(3)	(1)	—	(1)	(1)	—	(25)	3	(38)	(60)
Distributions attributable to														
Preferred limited partners equity	—	—	—	—	—	—	—	—	—	(43)	(43)	—	—	(43)
Preferred equity	—	—	—	—	—	—	—	—	—	(19)	(19)	—	—	(19)
Perpetual subordinated notes	—	—	—	—	—	—	—	—	—	(7)	(7)	—	—	(7)
Share of interest and cash taxes from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	(25)	(22)	(47)
Share of Funds From Operations attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	(518)	(518)
Funds From Operations	265	113	88	164	134	13	11	144	125	(337)	720	—	—	
Depreciation	(194)	(48)	(19)	(175)	(55)	(12)	(7)	(131)	(63)	(2)	(706)	32	(446)	(1,120)
Foreign exchange and financial instrument gain (loss)	(50)	—	(2)	(43)	1	—	—	18	(4)	15	(65)	(1)	88	22
Deferred income tax expense	38	(1)	(40)	16	(1)	—	(1)	3	(3)	41	52	7	(127)	(68)
Other	(61)	(18)	(4)	(56)	(42)	(1)	—	(25)	(25)	(80)	(312)	14	110	(188)
Share of earnings from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	(52)	—	(52)
Net income attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	375	375
Net income (loss) attributable to Unitholders[(2)]	(2)	46	23	(94)	37	—	3	9	30	(363)	(311)	—	—	(311)

(1) Share of loss from equity-accounted investments of $3 million is comprised of amounts found on the share of Adjusted EBITDA, share of interest and cash taxes and share of earnings lines. Net income attributable to participating non-controlling interests – in operating subsidiaries of $143 million is comprised of amounts found on Share of Funds From Operations attributable to non-controlling interests and Net Income attributable to non-controlling interests.

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

The following table reflects Adjusted EBITDA, Funds From Operations, Adjusted Funds From Operations and provides a reconciliation to net income (loss) attributable to Unitholders for the nine months ended September 30, 2020:

	Attributable to Unitholders													
	Hydroelectric			Wind								Contribution from equity-accounted investments	Attributable to non-controlling interests	As per IFRS financials[(1)]
(MILLIONS)	North America	Brazil	Colombia	North America	Europe	Brazil	Asia	Solar	Energy transition	Corporate	Total			
Revenues	642	136	154	173	64	21	20	168	115	—	1,493	(54)	1,419	2,858
Other income	25	16	10	7	5	2	4	19	17	51	156	(2)	(103)	51
Direct operating costs	(210)	(38)	(71)	(42)	(24)	(5)	(7)	(39)	(40)	(15)	(491)	25	(451)	(917)
Share of Adjusted EBITDA from equity-accounted investments												31	22	53
Adjusted EBITDA	457	114	93	138	45	18	17	148	92	36	1,158	—	887	
Management service costs	—	—	—	—	—	—	—	—	—	(132)	(132)	—	(19)	(151)
Interest expense	(103)	(15)	(21)	(53)	(11)	(4)	(4)	(60)	(14)	(62)	(347)	14	(400)	(733)
Current income taxes	(2)	(5)	(5)	—	—	(1)	—	—	(1)	—	(14)	2	(17)	(29)
Distributions attributable to														
Preferred limited partners equity	—	—	—	—	—	—	—	—	—	(40)	(40)	—	—	(40)
Preferred equity	—	—	—	—	—	—	—	—	—	(19)	(19)	—	—	(19)
Share of interest and cash taxes from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	(16)	(9)	(25)
Share of Funds From Operations attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	(442)	(442)
Funds From Operations	352	94	67	85	34	13	13	88	77	(217)	606	—	—	
Depreciation	(177)	(52)	(16)	(132)	(41)	(10)	(7)	(72)	(31)	(2)	(540)	20	(510)	(1,030)
Foreign exchange and financial instrument gain (loss)	(39)	7	—	32	(12)	1	(1)	(43)	(1)	(12)	(68)	7	73	12
Deferred income tax expense	(2)	1	(5)	6	3	—	1	4	(3)	25	30	(2)	—	28
Other	(70)	(12)	3	(31)	(24)	(3)	(1)	(1)	(20)	(53)	(212)	2	85	(125)
Share of earnings from equity-accounted investments	—	—	—	—	—	—	—	—	—	—	—	(27)	(5)	(32)
Net income attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	357	357
Net income (loss) attributable to Unitholders[(2)]	64	38	49	(40)	(40)	1	5	(24)	22	(259)	(184)	—	—	(184)

(1) Share of loss from equity-accounted investments of $4 million is comprised of amounts found on the share of Adjusted EBITDA, share of interest and cash taxes and share of earnings lines. Net income attributable to participating non-controlling interests – in operating subsidiaries of $85 million is comprised of amounts found on Share of Funds From Operations attributable to non-controlling interests and Net Income attributable to non-controlling interests.

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

The following table reconciles the non-IFRS financial measures to the most directly comparable IFRS measures. Net income attributable to Unitholders is reconciled to Funds From Operations and reconciled to Proportionate Adjusted EBITDA for the nine months ended September 30:

	Nine months ended September 30	
(MILLIONS)	**2021**	2020
Net income (loss) attributable to:		
Limited partners' equity	**$ (159)**	$ (123)
General partnership interest in a holding subsidiary held by Brookfield	**58**	46
Participating non-controlling interests – in a holding subsidiary – Redeemable/ Exchangeable units held by Brookfield	**(111)**	(89)
BEPC exchangeable shares	**(99)**	(18)
Net income (loss) attributable to Unitholders	**$ (311)**	$ (184)
Adjusted for proportionate share of:		
Depreciation	**706**	540
Foreign exchange and financial instruments loss	**65**	68
Deferred income tax recovery	**(52)**	(30)
Other	**312**	212
Funds From Operations	**$ 720**	$ 606
Distributions attributable to:		
Preferred limited partners' equity	**43**	40
Preferred equity	**19**	19
Subordinated Perpetual notes	**7**	—
Current income taxes	**25**	14
Interest expense	**407**	347
Management service costs	**224**	132
Proportionate Adjusted EBITDA	**1,445**	1,158
Attributable to non-controlling interests	**919**	887
Consolidated Adjusted EBITDA	**$ 2,364**	$ 2,045

The following table reconciles the per-unit non-IFRS financial measures to the most directly comparable IFRS measures. Basic income per LP unit is reconciled to Funds From Operations per unit, for the nine months ended September 30:

	Nine months ended September 30	
	2021	2020
Basic income (loss) per LP unit[1]	**$ (0.58)**	$ (0.39)
Depreciation	**1.09**	0.90
Foreign exchange and financial instruments loss	**0.10**	0.11
Deferred income tax (recovery) expense	**(0.08)**	(0.05)
Other	**0.59**	0.44
Funds From Operations per Unit[2]	**$ 1.12**	$ 1.01

(1) During the nine months ended September 30, 2021, on average there were 274.9 million (2020: 269.9 million).

(2) Average units outstanding for the nine months ended September 30, 2021 were 645.6 million (2020: 597.5 million), being inclusive of GP interest, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and LP units.

PART 7 – CRITICAL ESTIMATES, ACCOUNTING POLICIES AND INTERNAL CONTROLS

CRITICAL ESTIMATES AND CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The unaudited interim consolidated financial statements are prepared in accordance with IFRS, which require the use of estimates and judgments in reporting assets, liabilities, revenues, expenses and contingencies. In the judgment of management, none of the estimates outlined in Note 1 – Basis of preparation and significant accounting policies in our 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, the amount and timing of operating and capital costs and the income tax rates of future income tax provisions. Estimates also include determination of accruals, provisions, purchase price allocations, useful lives, asset valuations, asset impairment testing, deferred tax liabilities, decommissioning retirement obligations and those relevant to the defined benefit pension and non-pension benefit plans. Estimates are based on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances.

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

NEW ACCOUNTING STANDARDS

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

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

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

FUTURE CHANGES IN ACCOUNTING POLICIES

Amendments to IAS 1 – Presentation of Financial Statements ("IAS 1")

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

Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent

Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments to IFRS 3 apply to annual reporting periods beginning on or after January 1, 2022. Brookfield Renewable is currently assessing the impact of the amendments.

There are currently no other 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 nine months ended September 30, 2021, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

SUBSEQUENT EVENTS

Subsequent to the quarter, Brookfield Renewable, together with institutional partners, agreed to acquire an initial 26% interest in a 750 MW portfolio of operating and development assets in Spain and Mexico. Total equity of $220 million ($55 million net to Brookfield Renewable) is expected to be invested into the project, with the potential to increase ownership interest to almost 60%. The transaction is expected to close in 2022 and remain subject to customary closing conditions, with Brookfield Renewable expected to hold a 25% interest in the investment.

Subsequent to the quarter, Brookfield Renewable, together with institutional partners, signed an agreement to acquire three late-stage and high quality utility-scale solar development projects in the United States for a total installed capacity of approximately 475 MW, for a total investment of $135 million (approximately $35 million to Brookfield Renewable).The transaction is expected to close in 2022 and remain subject to customary closing conditions, with Brookfield Renewable expected to hold a 25% interest.

PART 8 – PRESENTATION TO STAKEHOLDERS AND PERFORMANCE MEASUREMENT

PRESENTATION TO PUBLIC STAKEHOLDERS

Equity

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

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

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

Actual and Long-term Average Generation

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

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

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

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

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

Voting Agreements with Affiliates

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

For entities previously controlled by Brookfield Asset Management, the voting agreements entered into do not represent business combinations in accordance with IFRS 3, as all combining businesses are ultimately controlled by Brookfield Asset Management both before and after the transactions were completed. Brookfield Renewable accounts for these transactions involving entities under common control in a manner similar to a pooling of interest, which requires the presentation of pre-voting agreement financial information as if the transactions had always been in place. Refer to Note 1(s)(ii) – Critical judgments in applying accounting policies – Common control transactions in our December 31, 2020 audited consolidated financial statements for our policy on accounting for transactions under common control.

PERFORMANCE MEASUREMENT

Segment Information

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

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 megawatts ("MW") attributable to Brookfield Renewable’s facilities, including development assets, is presented on a consolidated basis, including with respect to facilities whereby Brookfield Renewable either controls or jointly controls the applicable facility.

Net Income (Loss)

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

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

Adjusted EBITDA

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

Brookfield Renewable uses Adjusted EBITDA to assess the performance of Brookfield Renewable before the effects of interest expense, income taxes, depreciation, management service costs, non-controlling interests, unrealized gain or loss on financial instruments, non-cash income or loss from equity-accounted investments, distributions to preferred shareholders, preferred limited partnership unit holders, perpetual subordinated noteholders and other typical non-recurring items. Brookfield Renewable adjusts for these factors as they may be non-cash, unusual in nature and/or are not factors used by management for evaluating operating performance. Brookfield Renewable includes realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term within Adjusted EBITDA in order to provide additional insight regarding the performance of investments on a cumulative realized basis, including any unrealized fair value adjustments that were recorded in equity and not otherwise reflected in current period Adjusted EBITDA.

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

Funds From Operations

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

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

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

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

Proportionate Debt

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

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

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

PART 9 – CAUTIONARY STATEMENTS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Interim Report contains forward-looking statements and information, within the meaning of Canadian securities laws and "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations, concerning the business and operations of Brookfield Renewable. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Forward-looking statements in this Interim Report include statements regarding the quality of Brookfield Renewable's assets and the resiliency of the cash flow they will generate, Brookfield Renewable's anticipated financial performance and payout ratio, future commissioning of assets, contracted nature of our portfolio, technology diversification, acquisition opportunities, expected completion of acquisitions and dispositions,financing and refinancing opportunities, BEPC's eligibility for index inclusion, BEPC's ability to attract new investors as well as the future performance and prospects of BEPC and BEP 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 nonperforming 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; operating and financial restrictions imposed on us by our loan, debt and security agreements; changes to our credit ratings; our inability to identify sufficient investment opportunities and complete transactions, the growth of our portfolio and our inability to realize the expected benefits of our transactions or acquisitions; our inability to develop greenfield projects or find new sites suitable for the development of greenfield projects; delays, cost overruns and other problems associated with the construction and operation of generating facilities and risks associated with the arrangements we enter into with communities and joint venture partners; Brookfield Asset Management's election not to source acquisition opportunities for us and our lack of access to all renewable power acquisitions that Brookfield Asset Management identifies, including by reason of conflicts of interest; we do not have control over all 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, including BEPC exchangeable shares, 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; the severity, duration and spread of the COVID-19 outbreak, as well as the direct and indirect impacts that the virus may have; broader impact of climate change; failure of BEPC's systems technology; involvement in disputes, governmental and regulatory investigations and litigation; any changes in the market price of the LP units; and the redemption of BEPC exchangeable shares at any time or upon notice from the holder of BEPC class B shares.*

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 the Form 20-F of BEP and other risks and factors that are described therein.

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.

BROOKFIELD RENEWABLE PARTNERS L.P.

bep.brookfield.com

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