(1) FOURTH QUARTER & FULL YEAR 2018 EARNINGS CONFERENCE CALL

Matt Roskot:

Thank you, Kathy.

Good morning everyone, and thank you for joining our fourth quarter and full year 2018 combined earnings conference call for NextEra Energy and NextEra Energy Partners.

With me this morning are Jim Robo, Chairman and Chief Executive Officer of NextEra Energy, John Ketchum, Executive Vice President and Chief Financial Officer of NextEra Energy, Armando Pimentel, President and Chief Executive Officer of NextEra Energy Resources, and Mark Hickson, Executive Vice President of NextEra Energy, all of whom are also officers of NextEra Energy Partners, as well as Eric Silagy, President and Chief Executive Officer of Florida Power & Light Company.

Jim will provide some opening remarks and will then turn the call over to John for a review of our fourth quarter and full year results. Our executive team will then be available to answer your questions.

(2) SAFE HARBOR STATEMENT AND NON-GAAP FINANCIAL INFORMATION

We will be making forward-looking statements during this call based on current expectations and assumptions which are subject to risks and uncertainties. Actual results could differ materially from our forward-looking statements if any of our key assumptions are incorrect or because of other factors discussed in today's earnings news release, in the comments made during this conference call, in the risk factors section of the accompanying presentation, or in our latest reports and filings with the Securities and Exchange Commission, each of which can be found on our websites www.NextEraEnergy.com and www.NextEraEnergyPartners.com. We do not undertake any duty to update any forward-looking statements.

Today's presentation also includes references to non-GAAP financial measures. You should refer to the information contained in the slides accompanying today's presentation for definitional information and reconciliations of historical non-GAAP measures to the closest GAAP financial measure.

With that, I will turn the call over to Jim.

Jim Robo:

(3) OPENING REMARKS

Thank you, Matt, and good morning everyone.

As John will detail later in the call, 2018 was a terrific year for both NextEra Energy and NextEra Energy Partners. By successfully executing on our plans at both FPL and Energy Resources, NextEra Energy was able to achieve our target 2018 adjusted EPS of $7.70, an increase of approximately 15% over our 2017 results. Dating back to 2005, we have now delivered compound annual growth in adjusted EPS of over 8.5%, which is the highest among all top 10 power companies, who have achieved, on average, compound annual growth of roughly 3% over the same period. We delivered a total shareholder return of over 14% in 2018, outperforming the S&P 500 by nearly 19% and the S&P 500 Utilities Index by more than 10%. Since 2005, we have outperformed 86% of the S&P 500 and 100% of the other companies in the S&P 500 Utilities Index while continuing to outperform both indices in terms of total shareholder return on a one-, three-, five-, seven-, and ten-year basis. We were once again honored to be named, for the 12th time in 13 years, number one in the electric and gas utilities industry on Fortune's list of "World's Most Admired Companies" and to be among the top 25 of Fortune's 2018 "Change the World" list.

During 2018, FPL successfully executed on its ongoing capital plan, including a continuation of one of the largest solar expansions ever in the U.S., and achieved its O&M efficiency targets to further improve its already best in class customer value proposition. As a result of continued smart investments to benefit our customers, FPL's typical residential bill is more than 30% below the national average, the lowest of all 54 electric providers in the state of Florida and nearly 10% below the level it was in 2006. In addition to low bills, FPL delivered its best-ever service reliability performance in 2018, and was recognized for the third time in four years as being the most reliable electric utility in the nation. Throughout the year, we were fortunate to be in a position to assist other utilities across the country in their recovery from natural disasters and we remain grateful for the support that others have given us over the years.

After a nearly 10 year process, last month FPL closed on the purchase of the City of Vero Beach's municipal electric system. We look forward to extending FPL's value proposition to Vero Beach's approximately 35,000 customers while also generating significant long-term savings for FPL's existing customers. The benefit to both new and existing customers is reflective of FPL's collaborative efforts with city, local, and regional leaders, as well as other state authorities to find the best outcome for all stakeholders.

Earlier this month, we were pleased to close on the purchase of Gulf Power and are excited to welcome our new colleagues to the NextEra Energy family. We have now successfully completed all three transactions with Southern Company that we announced in the middle of last year. The acquisitions are an excellent complement to our existing operations and further expand NextEra Energy's regulated business mix through the addition of attractive electric and natural gas franchises. By executing on the same long-term strategy that we have deployed at FPL, we expect the acquisitions to benefit customers, shareholders and the Florida economy.

The Energy Resources team also continued its long track record of strong execution in 2018. The renewables origination success was particularly strong, as the team added approximately 6,500 megawatts, including storage and repowering, to our backlog over the past year. This represents the most successful origination year in our history and is nearly twice as many megawatts as we originated in 2017, our prior record year. Our ongoing renewables origination success results from operating in what we believe to be the best renewables development environment in our history and our ability to leverage Energy Resources' competitive advantages. These competitive advantages include our best-in-class development skills, strong customer relationships, purchasing power, best-in-class construction expertise, resource assessment capabilities, strong access to and cost of capital advantages, and the ability to combine wind, solar and battery storage into integrated, nearly firm, low-cost products.

During the year, we were pleased to receive the IRS start of construction guidance on the solar ITC which we believe positions us well for substantial solar and storage growth well into the next decade. In 2018, more than 40% of the solar projects that were added to our backlog included a battery storage component, highlighting the beginning of the next phase of renewables development that pairs low cost wind and solar energy with a low cost battery storage solution. With continued technology improvements and cost declines, we expect that without incentives wind is going to be a 2 to 2.5 cent per kilowatt-hour product and solar is going to be a 2.5 to 3 cent per kilowatt-hour product early in the next decade. Combining these extremely low costs with a one-half to three-quarter cent adder for a 4-hour storage system will create a nearly firm renewable generation resource that is cheaper than the operating cost of coal, nuclear and less fuel efficient oil and gas-fired generation units. We continue to believe that this will be massively disruptive to the nation's generation fleet and create significant opportunities for renewables growth well into the next decade.

(4) NEXTERA ENERGY – STRONG CREDIT QUALITY

Consistent with our focus on growing our rate regulated and long-term contracted business operations, during the fourth quarter NextEra Energy Transmission announced an agreement to acquire Trans Bay Cable, a 53-mile, high-voltage direct current underwater transmission cable system with utility rates set by FERC, which provides approximately 40% of San Francisco's daily electrical power needs. Subject to regulatory approvals, the approximately $1 billion acquisition, including the assumption of debt, is expected to close later this year and to be immediately accretive to earnings. The proposed acquisition, combined with the Midcontinent Independent System Operator's selection of NextEra Energy Transmission to develop the approximately 20-mile single-circuit 500 kV Hartburg-Sabine Junction transmission line in East Texas, furthers our goal of creating America's leading competitive transmission company.

In addition to successfully growing our regulated operations both organically and through acquisitions during 2018, we further strengthened Energy Resources' existing portfolio during the year. In December, the Connecticut Department of Energy and Environmental Protection selected approximately 20% of the Seabrook nuclear plant's generation and 80 megawatts of new solar projects, which are not yet included in our backlog, for long-term contracts. By operating one of the top-performing nuclear plants in the nation, Energy Resources expects to provide significant amounts of carbon free energy at prices generally in-line with current forward curves while generating attractive shareholder returns. As a result, Seabrook's contract pricing is expected to be roughly 50% lower than the cost of offshore wind, generating significant savings for Connecticut customers over the 8-year contract term.

The Seabrook award compliments Energy Resources' exit of the merchant business, which we began back in 2011 and essentially completed in 2016 with the sale of our Forney, Lamar and Marcus Hook natural gas generation assets. Excluding Seabrook, the remaining merchant generation assets contribute less than 1% of NextEra Energy's consolidated adjusted EBITDA. Going forward, we expect this contribution to decline as the focus remains on regulated and long-term contracted opportunities in renewables, natural gas pipelines and regulated transmission. As always, we will continue to opportunistically evaluate recycling capital through sales of non-strategic assets in our portfolio, including the remaining fossil generation assets, to fund the additional growth of the long-term contracted businesses.

As a result of increasing the expected adjusted earnings contribution from rate regulated businesses to roughly 70%, and the steps that we have taken to further de-risk the Energy Resources' portfolio, S&P announced earlier this month that they have revised their assessment of NextEra Energy's business risk profile upward from "strong" to "excellent". As a result of this improvement, S&P reduced NextEra Energy's FFO-to-Debt downgrade threshold from 23% to 21%. This follows Moody's announcement last year that, with the expansion of the company's regulated operations to roughly 70% following the Gulf Power transaction, NextEra Energy's CFO pre-working capital-to-debt downgrade threshold would be reduced from 20% to 18%. At these revised rating agency thresholds, and following some utilization of balance sheet capacity for the Trans Bay transmission acquisition, we now expect to maintain $4 to $6 billion of excess balance sheet capacity through 2021. While we have multiple alternatives for utilization, we expect to use approximately $2 billion of this capacity in the near-term to support additional regulated capital investments at FPL. Consistent with the significant incremental smart investment opportunities that exist at FPL, last week we announced FPL's groundbreaking "30-by-30" plan to install more than 30 million solar panels by 2030, resulting in an incremental 10,000 megawatts of solar projects versus what is in operation at FPL today. We will give further details on these and other potential investments, which are mostly expected to help maintain our long-term adjusted EPS compound annual growth rate beyond 2021, at our investor conference, which we plan to hold on June 20th in New York City.

Following the strong results from 2018, I continue to believe that we have one of the best organic opportunity sets and execution track records in the industry. I remain as enthusiastic as ever about our long-term prospects and, based on the strength and diversity of our underlying businesses, I will be disappointed if we are not able to deliver financial results at or near the top end of our 6 to 8 percent compound annual growth rate range through 2021 plus the expected deal accretion from the Florida transactions, while at the same time maintaining our strong credit ratings.

Let me now turn to NEP, which also had a terrific year of execution in 2018. As John will describe later in the call, NEP successfully delivered on its growth objectives for adjusted EBITDA, CAFD, and LP distributions. During the year, we recycled the proceeds from the sale of NEP's Canadian portfolio into a higher yielding U.S. portfolio that benefits from a more favorable tax position. As a result of this accretive transaction, NEP extended its expectations for 12 to 15 percent per year DPU growth by one additional year to 2023. The 1.4 gigawatt renewable portfolio that was acquired from Energy Resources further enhanced the diversity of NEP's existing portfolio and was financed through a combination of the Canadian asset sale proceeds and a $750 million convertible equity portfolio financing with BlackRock. The financing demonstrates NEP's ability to access additional low-cost sources of capital to finance its growth and, with the right to convert a minimum of 70% of the portfolio financing into NEP units issued at no discount, the transaction further reduces NEP's equity needs going forward.

NEP grew the LP distribution by 15% year-over-year and delivered a total unitholder return of approximately 4% in 2018, which is on the heels of a total unitholder return of over 75% the year prior. NEP outperformed both the S&P 500 and the other yieldcos by 7% on average, and its total unitholder return was more than 15% higher than the Alerian MLP index. I continue to believe that the combination of NEP's growth visibility, along with its flexibility to finance that growth, offer unitholders an attractive investor value proposition. For these reasons, NEP is well positioned to continue executing on its growth objectives and delivering strong performance going forward.

Before turning the call over to John, I would like to announce some important organizational changes. Armando Pimentel, president and chief executive officer of NextEra Energy Resources and president and a member of the board of directors of NextEra Energy Partners, will retire from each of his positions on March 1st of this year.

John Ketchum, currently executive vice president and chief financial officer of NextEra Energy, will replace Armando as president and chief executive officer at NextEra Energy Resources. As part of John's new responsibilities, he will continue to serve as a member of the board of directors of NEP and will be appointed president of NextEra Energy Partners.

Rebecca Kujawa, currently vice president, business management, NextEra Energy Resources, will succeed John as executive vice president and chief financial officer of NextEra Energy. Rebecca will also become a member of the board of directors of NEP. Each of these changes will become effective on March 1st of this year.

Armando has been an enormous contributor to NextEra Energy's success during his more than 10 years with the company, helping to build an industry-leading business during his tenure as chief executive officer of Energy Resources. His leadership, commercial judgment and financial discipline have guided Energy Resources through a period of unprecedented growth and financial success. Armando's contributions set the company on a path to becoming what it is today - the world's leading renewable energy company. He has been a great friend, colleague and valued counselor to me personally. It is an understatement to say I will miss him, but I am also excited for Armando and what will come next for him and his family in retirement.

With regard to John's promotion, I have had the chance to work closely with John for more than 16 years as he has successfully progressed through a variety of different roles in our company. We are fortunate to have a person of his capabilities, vision and experience. He is an exceptional leader who has emerged as one of the premier CFOs in our sector. I have tremendous faith that John is the ideal successor to lead the Energy Resources team into the future due to his strong financial acumen, knowledge of the sector and passion for building a world-leading energy company.

Likewise, Rebecca has distinguished herself as a well-rounded executive with a proven track record of execution, outstanding finance and commercial skills and an unparalleled understanding of the NextEra Energy enterprise. She has been instrumental in helping Armando lead Energy Resources and develop our strategy for NEP over the last several years and her innovative, analytical and strategic mindset will serve us well in her new role. I'm very happy to have Rebecca as our new chief financial officer.

I will now turn the call over to Armando who would like to make some personal remarks.

Armando Pimentel:

Thank you. First I want to thank Jim for providing me the opportunity to lead Energy Resources for the last 7 ½ years. And I want to thank those of you on the phone today who I have had the privilege of meeting and interacting with since I began at NextEra Energy in 2008. I thank you for the interactive dialogue and the opportunity to continue to tell our story. And today, there is no doubt that Energy Resources is not only the largest developer, operator and owner of renewable energy in the world, but also it's most profitable and innovative. And as I tell our employees and customers – I believe we are just getting started. I strongly believe that the renewable energy opportunity is actually just beginning. The combination of energy storage with wind and solar is a revolution which will expand the opportunities for renewables and is very exciting. I am profoundly comfortable in the continued success of Energy Resources, NEP and NextEra Energy.

I want to thank all of our employees at NextEra Energy for providing me the opportunity to work alongside them. I have learned and laughed much over the years and will miss the innovative, fast-paced environment in which we work.

I have no concrete future plans as of now, but I am excited about pursuing new adventures and honing old skills. At the very least, retirement will allow me to pursue one of my great passions – fishing.

Thanks again to all who have helped guide me and our company successfully over the years. Our company is in terrific shape and I congratulate and applaud John and Rebecca on their new roles. Well deserved.

I will now turn the call over to John.

John Ketchum:

(5) FPL – FOURTH QUARTER & FULL YEAR 2018 RESULTS

Thank you Armando and Jim. Let's now turn to the detailed results, beginning with FPL.

For the fourth quarter of 2018, FPL reported net income of $407 million, or 85 cents per share, up 1 cent per share compared to FPL's adjusted earnings in the prior-year period. For the full year 2018, FPL reported net income of $2.2 billion, or $4.55 per share, an increase of 46 cents per share versus FPL's adjusted earnings in 2017.

(6) FPL – Fourth Quarter & Full Year 2018 Drivers

Regulatory capital employed increased by approximately 12.4% for 2018 and was the principal driver of FPL's adjusted net income growth of 12.5% for the full year. FPL's capital expenditures were approximately $1.5 billion in the fourth quarter, bringing its full year capital investments to a total of roughly $5.1 billion.

FPL's reported ROE for regulatory purposes was 11.6% for the twelve months ended December 31 2018, which is at the upper end of the allowed band of 9.60 to 11.60 percent under our current rate agreement. During the fourth quarter, we restored an additional $240 million of reserve amortization, leaving FPL with a year-end 2018 balance of $541 million. We continue to expect that FPL will end 2020 with a sufficient amount of reserve amortization to operate under the current base rate settlement agreement for up to two additional years, creating further customer benefits by potentially avoiding a base rate increase in 2021 and perhaps 2022.

Before moving on, let me now take a moment to update you on some of our key capital initiatives at FPL. During 2018, FPL completed construction on schedule and on budget for the first eight 74.5 megawatt solar energy centers developed under the Solar Base Rate Adjustment, or SoBRA, mechanism of the rate case settlement agreement. In 2018, we also deployed the first two projects under FPL's 50 megawatt battery storage pilot program, pairing battery systems with existing solar projects and highlighting FPL's innovative approach to further enhance the diversity of its clean energy solutions for customers. The next 300 megawatts of solar projects being built under the SoBRA mechanism remain on budget and on track to begin providing cost-effective energy to FPL customers in early 2019. To support the significant solar expansion that FPL is leading across Florida, we have secured sites that could potentially support more than 7 gigawatts of future projects.

Beyond solar, construction on the approximately 1,750-megawatt Okeechobee Clean Energy Center remains on budget and on schedule to enter service in the middle of this year. Additionally, the roughly 1,200 megawatt Dania Beach Clean Energy Center received Siting Board approval during the quarter to support its projected commercial operation date in 2022.

We continue to expect that FPL's ongoing smart investment opportunities will support a compound annual growth rate in regulatory capital employed, net of accumulated deferred income taxes, of approximately 9%, from the start of the settlement agreement in January

2017 through at least December 2021, while further enhancing our customer value proposition.

(7) FPL – Customer Characteristics & Florida Economy

The economy in Florida remains healthy. The current unemployment rate of 3.3% remains below the national average and at the lowest levels in a decade. Florida's consumer confidence level remains near ten-year highs. The real estate sector also continues to show strength, with new building permits remaining at healthy levels and the Case-Shiller Index for South Florida home prices up 4.8% from the prior year.

FPL's fourth quarter retail sales increased 4.0% from the prior-year comparable period. We estimate that weather-related usage per customer contributed approximately 0.6% to this amount. On a weather-normalized basis, fourth quarter sales increased 3.4% with positive contributions from both weather-normalized usage per customer and ongoing customer growth, including the addition of Vero Beach's customers.

For 2018, we estimate that FPL's retail sales on a weather-normalized basis increased by 2.6%. Continued customer growth and an estimated 1.7% increase in weather-normalized usage per customer both contributed favorably. While we are encouraged by the growth in underlying usage in 2018, which was a consistent benefit during all four quarters, as we have often discussed, this measure can be volatile and we are not yet ready to draw any firm conclusions about long-term trends. We will continue to closely monitor and analyze underlying usage and will update you on future calls.

(8) ENERGY RESOURCES – FOURTH QUARTER & FULL YEAR 2018 RESULTS

Let me now turn to Energy Resources, which reported fourth quarter 2018 GAAP earnings of $263 million, or 55 cents per share. Adjusted earnings for the fourth quarter were $317 million, or 66 cents per share. For the full year, Energy Resources reported GAAP earnings of $4.66 billion, or $9.75 per share, and adjusted earnings of $1.46 billion, or $3.05 per share.

(9) ENERGY RESOURCES – ADJUSTED EPS CONTRIBUTION DRIVERS

In the fourth quarter, Energy Resources' contribution to adjusted earnings per share increased by 18 cents from the prior-year comparable period. Positive contributions from new investments, customer supply and trading, our gas infrastructure business, including existing pipelines, and the reduction in the corporate federal income tax rate all supported the strong year-over-year growth. These favorable contributions were partially offset by lower contributions from our existing generation assets as a result of particularly poor fleet-wide wind resource, which was the lowest fourth quarter on record over the last 30 years, and higher interest and corporate expenses due to growth in the business.

Energy Resources' full year adjusted earnings per share contribution increased 45 cents, or approximately 17%, versus 2017. For the full year, contributions from new investments declined by 4 cents per share, due in part to the expected smaller than usual 2017 renewable build. In 2019 and beyond, we expect meaningful growth from new investments as we continue to execute on our renewables development backlog.

Increased PTC volume from the approximately 1,600 megawatts of repowered wind projects that were commissioned in 2017 helped increase contributions from existing generation assets by 10 cents per share. Contributions from our gas infrastructure business, including existing pipelines, increased by 17 cents year-over-year. As expected, the reduction in the corporate federal income tax rate was accretive to Energy Resources, increasing adjusted EPS by 45 cents compared to 2017. All other impacts reduced results by 23 cents per share, primarily as a result of higher interest and corporate expenses, driven largely by increased development activity to support the favorable renewables development environment.

Additional details are shown on the accompanying slide.

(10) ENERGY RESOURCES – DEVELOPMENT HIGHLIGHTS

In 2018, Energy Resources continued to advance its position as the leading developer and operator of wind, solar and battery storage projects, commissioning nearly 2,700 megawatts of renewables projects in the U.S., including an additional 900 megawatts of repowered wind. Since the last call, we have added 1,791 megawatts of renewables projects to our backlog, including 680 megawatts of wind, 797 megawatts of solar and 215 megawatts of battery storage, all of which will be paired with new solar projects. Included in the solar megawatts we added to backlog this quarter is a 150 megawatt solar build-own-transfer project with a 10-year O&M agreement that will allow the customer to leverage Energy Resources' best-in-class operating skills while providing meaningful ongoing revenue through the contract term.

During the quarter, Energy Resources signed an additional 99 megawatts of wind repowering and successfully commissioned approximately 600 megawatts of repowering projects. For 2017 and 2018, this brings the total repowering projects placed in service to roughly 2,500 megawatts, near the top end of the previously outlined range for this period. We continue to expect to be in the upper half of the $2.5 to $3.0 billion in total capital deployment for repowerings for 2017 through 2020.

Following the record origination year in 2018, and with nearly two years remaining in the development period, we are now within the previously outlined 2017 to 2020 ranges for U.S wind, solar and wind repowering. For the post-2020 period, our backlog is already nearly 2,000 megawatts, placing us well ahead of our historical origination activity at this early stage. The accompanying slide provides additional detail on where our renewables development program now stands.

Beyond renewables, we completed construction of approximately 175 miles of the Mountain Valley Pipeline during 2018. As planned, MVP is continuing with its scaled back construction efforts for the winter. While we continue to target our previously announced full in-service date for the pipeline during the fourth quarter of 2019 and revised overall project cost estimate of $4.6 billion, we also continue to work through the project's outstanding legal challenges and to closely monitor developments related to the Atlantic Coast Pipeline and the current government shutdown, as the outcome of any one of these issues could impact MVP's project schedule and cost estimate. We also continue to evaluate mitigation alternatives to address potential adverse outcomes should they arise. MVP's expected annual contribution to NextEra Energy's ongoing adjusted EPS is approximately 7 to 9 cents. We do not expect any material adjusted earnings impacts, nor any change in NextEra Energy's financial expectations, as a result of the ongoing challenges. We will provide further updates as those proceedings evolve.

(11) NextEra Energy – Fourth Quarter & Full Year 2018 Results

Turning now to the consolidated results for NextEra Energy, for the fourth quarter of 2018, GAAP net income attributable to NextEra Energy was $422 million, or 88 cents per share. NextEra Energy's 2018 fourth quarter adjusted earnings and adjusted EPS were $718 million, or $1.49 per share, respectively. For the full year 2018, GAAP net income attributable to NextEra Energy was $6.64 billion, or $13.88 per share. Adjusted earnings were $3.67 billion or $7.70 per share, reflecting growth of 15% off our 2017 adjusted EPS, including an approximately 45 cent benefit from lower federal income tax rates.

For the Corporate & Other segment, adjusted earnings for the full year increased 9 cents per share compared to 2017 primarily due to lower interest and certain favorable tax items.

(12) NextEra Energy Expectations

We continue to expect NextEra Energy's adjusted EPS compound annual growth rate to be in a range of 6 to 8 percent through 2021 off our

2018 adjusted EPS of $7.70, plus accretion of 15 and 20 cents in 2020 and 2021, respectively, from the Florida acquisitions. For 2019, we continue to expect our adjusted EPS to be in the range of $8.00 to $8.50. From 2018 to 2021 we expect that operating cash flow will grow roughly in line with our adjusted EPS compound annual growth rate range.

We are closely following the recent developments with Pacific Gas & Electric. Projects directly affected by the potential PG&E bankruptcy have an expected annual adjusted EPS contribution of roughly 13 to 15 cents for NextEra Energy. Regardless of the outcome of PG&E's anticipated bankruptcy proceedings, we expect to achieve NextEra Energy's adjusted EPS expectations that I just outlined and will be disappointed if we are not able to deliver growth at or near the top end of our 6 to 8 percent compound annual growth rate range off our 2018 base of $7.70 plus the expected deal accretion from the Florida transactions.

We continue to expect to grow our dividends per share 12 to 14 percent per year through at least 2020, off a 2017 base of dividends per share of $3.93. As always, our expectations are subject to the usual caveats, including but not limited to normal weather and operating conditions.

(13) NEXTERA ENERGY PARTNERS OPENING REMARKS

Let me now turn to NEP which also had a strong year of operational and financial performance in 2018.

Yesterday the NEP Board declared a quarterly distribution of 46.50 cents per common unit, or $1.86 per unit on an annualized basis, up 15% from the comparable quarterly distribution a year earlier, and at the top end of the range we discussed going into 2018. For the full year 2018, adjusted EBITDA and CAFD increased 18% and 36%, respectively, primarily as a result of portfolio growth.

In addition to meeting NEP's growth objectives with the acquisition from Energy Resources, during 2018 we were also pleased to announce the execution of a long-term contract that enables an expansion investment in the Texas pipelines. The opportunity, which subject to regulatory approvals, is expected to be in-service during the fourth quarter of 2020, demonstrates the organic growth potential of NEP's underlying portfolio.

Beyond the attractive low-cost convertible portfolio equity financing with BlackRock, NEP took additional steps to further enhance its financing flexibility during 2018. In the fourth quarter, NEP entered into an additional $1 billion interest rate hedge agreement to help mitigate interest rate volatility on future debt issuances. NEP's hedge agreement has a fixed rate of approximately 3.295% and can be flexibly utilized at any date until December 11, 2028. The swap is incremental to the $5 billion hedge agreement that we announced last year, providing significant protection against interest rate risk as NEP executes on its long-term growth plan. Additionally, during 2018 we successfully raised approximately $85 million through the sale of roughly 1.8 million common units under NEP's ATM program. Going forward, we will continue to flexibly seek opportunities to use the ATM program depending on market conditions and other considerations.

(14) NEP - FOURTH QUARTER & FULL YEAR 2018 HIGHLIGHTS

Now let's look at the detailed results.

Fourth quarter adjusted EBITDA was $165 million and cash available for distribution was $44 million, a decrease of $35 million and $33 million from the prior-year comparable quarter, respectively. The decline was primarily driven by the sale of the Canadian portfolio earlier in the year, with those assets not replaced until the late December closing on the 1.4-gigawatt acquisition from Energy Resources.

For the full year 2018, adjusted EBITDA and CAFD were $881 million and $339 million, up 18% and 36%, respectively, primarily driven by growth of the underlying portfolio. Existing projects benefitted from increased contributions from the Texas Pipelines versus the prior-year. For adjusted EBITDA, this benefit was offset by the year-over-year reduction in the pre-tax value of NEP's tax credits as a result of the decline in the federal income tax rate. This change has no impact on CAFD. Cash available for distribution from existing projects also benefitted from reduced debt service, which was roughly offset by higher corporate level interest expense. As a reminder, these results include the impact of IDR fees, which we treat as an operating expense. Additional details are shown on the accompanying slide.

(15) NEXTERA ENERGY PARTNERS EXPECTATIONS

For NEP, absent any impact from a PG&E bankruptcy filing, our December 31, 2018 run rate expectations for adjusted EBITDA of $1.00 to $1.15 billion and CAFD of $360 to $400 million are unchanged, reflecting calendar year 2019 expectations for the portfolio with which we ended the year. Our previously announced December 31, 2019 run rate expectations for adjusted EBITDA of $1.2 to $1.375 billion and CAFD of $410 to $480 million are also unchanged. Our expectations are subject to our normal caveats and include the impact of anticipated IDR fees, as we treat these as an operating expense.

From an updated base of our fourth quarter 2018 distribution per common unit at an annualized rate of $1.86, we continue to see 12 to 15 percent per year growth in LP distributions as being a reasonable range of expectations through at least 2023. We expect the annualized rate of the fourth quarter 2019 distribution that is payable in February 2020 to be in a range of $2.08 to $2.14 per common unit.

NEP expects to be able to manage through the impacts of the anticipated PG&E bankruptcy and to achieve the growth expectations that I just outlined. As we have previously disclosed, the 420 megawatts of projects that are contracted with PG&E represent 15% to 18% of NEP's expected year-end 2018 run rate cash available for distribution. As a result of the PG&E Board of Directors authorizing the commencement of a bankruptcy filing, we believe an event of default has likely occurred under the Genesis financing. The administrative agent for the Desert Sunlight 300 financing has notified us that an event of default has occurred under those agreements, which we dispute, and they are currently withholding the January distribution. For any financing where an event of default is determined to have occurred, cash distributions can be restricted and other remedies could be exercised, including acceleration of the debt. Additionally, due to provisions in the financings, an event of default under the Desert Sunlight 300 financing can prevent distributions from Desert Sunlight 250, which is contracted with SCE. We expect the combination of Desert Sunlight 250 and the PG&E projects to contribute roughly 18% of NEP's year-end 2019 run rate CAFD. As we execute on NEP's growth strategy, we expect this to further decline over time and that the PG&E projects and Desert Sunlight 250 will not represent a significant percentage of NEP's 2023 cash available for distribution.

For projects where cash distributions are restricted, we expect that over time these funds will go toward paying down the principal on existing financings, which would potentially result in more distributable cash flow to NEP in the future. In each of these projects we are reviewing our alternatives, and will pursue all options to protect our interests, including vigorously defending our contracts and working with key stakeholders of each financing. Even in a worst case scenario where we receive no further contributions from projects that are contracted with PG&E or Desert Sunlight 250, we continue to expect that NEP will achieve its annual 12 to 15 percent growth in distributions per unit through 2023, without the need to sell common equity until 2020 at the earliest other than modest at-the-market issuances.

We are pleased with NEP's strong performance in 2018 and believe it continues to provide a best-in-class investor value proposition. With the flexibility to grow in three ways – acquiring assets from Energy Resources, organically, or acquiring assets from other third parties – NEP has clear visibility to support its growth going forward. Following a new record renewables origination year by Energy Resources, and the continued strength of the best renewables development environment in our history, NEP's growth visibility further improved in 2018. Additionally, NEP's cost of capital and access to capital advantages further improved over the past year, providing flexibility to finance its growth over the long-term. When NEP's growth potential and financing flexibility are combined with its favorable tax position and enhanced governance rights, we believe NEP is well-positioned to meet its financial expectations and we look forward to delivering on NEP's strategic and growth initiatives in 2019 and beyond.

That concludes our prepared remarks and with that we will open the line for questions.

(16) QUESTION AND ANSWER SESSION – LOGO