(1) Fourth Quarter & Full Year 2020 Earnings Conference Call

Jessica Aldridge:

Thank you, Jason.

Good morning everyone, and thank you for joining our fourth quarter and full year 2020 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, Rebecca Kujawa, Executive Vice President and Chief Financial Officer of NextEra Energy, John Ketchum, 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 Rebecca 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) NEXTERA ENERGY OPENING REMARKS

Thank you, Jessica, and good morning everyone.

2020 was a terrific year for both NextEra Energy and NextEra Energy Partners. NextEra Energy's performance was strong both financially and operationally. We had outstanding execution on our initiatives to continue to drive future growth across the company. Across all of our businesses, we successfully executed on the largest capital program in our history, deploying more than $14 billion in 2020 as we lead America's clean energy transformation. By successfully executing on our plans, NextEra Energy extended its long track record of delivering value for shareholders with adjusted earnings per share of $2.31, up 10.5% from 2019.

A key element of our value proposition at NextEra Energy is a culture focused on delivering outstanding results for our shareholders. Over the past 10 years, we have delivered compound annual growth in adjusted EPS of 8%, which is the highest among all top 10 power companies, who have achieved, on average, compound annual growth of less than 3% over the same period. Amid this significant growth, the company has maintained one of the strongest balance sheets and credit positions in the industry.

In 2020, we delivered a total shareholder return of approximately 30%, significantly outperforming both the S&P 500 and the S&P 500 Utilities Index, and continuing to outperform both indices in terms of total shareholder return on a one-, three-, five-, seven-, and ten-year basis. Over the past 15 years, we have outperformed all of the other companies in the S&P 500 Utilities Index and 86% of the companies in the S&P 500, while more than tripling the average total shareholder return of both indices. While we are proud of our long-term track record of creating shareholder value, we remain laser focused on the future and on delivering on our commitments.

NextEra Energy remains well positioned to capitalize on the disruptive forces reshaping our industry, which have expanded and accelerated over the past two years even beyond what we had anticipated. The combination of low-cost renewables with low-cost storage—in the form of batteries today and hydrogen in the longer term—has substantially increased the total addressable market for NextEra Energy. We now believe that a substantial, and economic, decarbonization of the electricity, transportation and industrial sectors is possible, which represents the potential investment opportunity of trillions of dollars in the coming decades. In the electricity sector, we expect that older and more inefficient generation will continue to be retired and replaced with cleaner and more affordable alternatives. In the transportation sector, we believe it will be increasingly economic to replace fossil-fueled vehicles with vehicles powered by fuel cells and batteries charged with renewable energy. And in the industrial sector, grey hydrogen and other high-carbon feedstocks can be replaced with green hydrogen. We believe these trends have already been put into motion driven by economics. In addition, we believe it is possible that the Biden administration, supported by a significant shift in public support towards taking action to address climate change, may act to further accelerate these shifts through the extension of existing incentives as well as initiating other forms of policy support.

Importantly, we believe that no company is better equipped to take advantage of these substantial and long term trends than NextEra Energy. In fact, NextEra Energy is already proof that you can be clean, low cost and financially successful all at the same time. We are at the vanguard of building a sustainable energy era that is both clean and affordable, and we are driving hard to continue to be at the forefront of the disruption that is occurring within the energy sector and broader parts of the U.S. economy. We expect that the execution of our strategy will drive meaningful CO2 emissions reductions across the country, and will help advance NextEra Energy toward its goal of reducing its CO2 emissions rate by 67% by 2025, from a 2005 baseline, while simultaneously lowering generation costs for customers and maintaining best-in-class reliability. We expect the disruptive nature of renewables to be terrific for customers, terrific for the environment and terrific for shareholders by helping to drive tremendous growth for this company over the next decade and beyond.

(4) FPL HIGHLIGHTS

FPL is already capitalizing on the disruption in our sector with continued focus on its grid and fleet modernization efforts. During 2020, FPL successfully executed on its strategic initiatives, including placing more than 1,100 megawatts of cost effective solar in service on time and on budget in support of its ongoing capital plan. This solar expansion is part of FPL's SolarTogether community solar program and its groundbreaking "30-by-30" plan, which is one of the world's largest solar expansions and would result in roughly 10,000 megawatts of total solar capacity on FPL's system by 2030. Additionally, the 409-megawatt Manatee Energy Storage Center, which will be the world's largest integrated solar-powered battery system, is on track and on budget to be placed in service later this year as part of the approximately $1 billion that NextEra Energy is investing in battery storage projects in 2021. Smart capital investments such as these help FPL improve its already best-in-class customer value proposition, while also maintaining an emissions profile that is among the cleanest in the nation.

FPL also had continued success with its cost saving initiatives, making even further reductions to its already best-in-class dollar per retail-megawatt-hour non-fuel O&M costs from 2019 to 2020. Through our unrelenting focus on cost savings and on making disciplined, long-term investments for the benefit of our customers, FPL has been able to maintain typical customer bills that are the lowest in the nation when compared to the twenty largest investor owned utilities in the country. In addition to low bills, FPL has continued to provide reliability that is by far the best in the state of Florida, achieving its best-ever reliability rate in 2020. FPL's investments to build a stronger, smarter energy grid have resulted in best-in-state reliability for the last 14 years in a row, as well as earning numerous national awards. In 2020, FPL was recognized for the fifth time in six years as being the most reliable electric utility in the nation.

(5) GULF POWER EXECUTION SUMMARY

Let me now turn to Gulf Power. In the two years that it has been part of the NextEra Energy family, Gulf Power has realized an approximately 30% reduction in O&M costs, a 50% improvement in service reliability, a 93% improvement in safety and a nearly 20% reduction in CO_2 emissions. Gulf Power has grown regulatory capital employed at a 17% compound annual growth rate since 2018, and we are well on our way to achieving the objectives we laid out at our investor conference in 2019.

In addition to the excellent operational execution that we delivered in 2020, we continued to progress our smart capital investment program that is expected to generate further customer benefits over the coming years. In the fourth quarter, we completed the Plant Crist coal-to-natural gas conversion. As a result, consistent with our commitment to remain a clean energy leader, we were able to complete the accelerated shut down of the coal units at Plant Crist, which has now been renamed the Gulf Clean Energy Center. With the retirement of FPL's Indiantown Cogeneration facility also occurring late last year, 2021 is the first time in nearly 70 years that there are no coal-fired power plants in Florida for either FPL or Gulf Power.

Earlier this month, FPL filed a test year letter with the Florida Public Service Commission to initiate a rate proceeding for new rates beginning in January 2022. The four-year plan that we intend to propose is designed to provide continued, longer-term cost certainty for customers while allowing FPL to continue investing in clean energy, storm-hardened infrastructure, and other innovative technologies that are the foundation of our communities. The stability of multi-year rate plans allows FPL to focus on efficiency in the business, which is critical to keeping customer bills low, while at the same time enabling FPL to maintain strong credit ratings and balance sheet which allows for consistent access to the capital markets. We look forward to the opportunity to showcase our long term track record of providing low bills, high reliability, and clean energy for Floridians and our plans to build an even more resilient and sustainable energy future for Florida in the coming years.

(6) NEXTERA ENERGY RESOURCES HIGHLIGHTS

Turning to Energy Resources, in 2020 we continued to advance our position as the leading developer and operator of wind, solar and battery storage projects, commissioning approximately 5,750 megawatts of new projects, more than doubling the amount of total renewables commissioned versus the previous year. This was also a record year for renewables origination at Energy Resources, with the team adding a net nearly 7,000 megawatts to our backlog during the year. As a result of the team's origination success and alongside the backdrop of the terrific market outlook I just outlined at the beginning of my remarks, we now expect to construct approximately 23 to 30 gigawatts of new renewables in the 2021 to 2024 timeframe, which, if we are successful, at the midpoint would mean adding a portfolio of generation projects that is approximately one and a half times the size of Energy Resources' entire operating renewables portfolio as of year-end 2019.

Energy Resources' execution success is reflective of our ability to leverage our significant competitive advantages—including our best-in-class development skills, large pipeline of sites and interconnection queue positions, strong customer relationships, purchasing power, best-in-class construction expertise, resource assessment capabilities, cost of capital advantages, and world-class operations capability—to capitalize on the ongoing energy transition that is occurring in the nation’s generation fleet. We believe that we are in a terrific position to be able to capture a significant share of the market opportunities going forward in what we continue to believe is the best renewables development environment we have ever seen.

Along with the broader public shift towards calls for action to fight climate change, over the past few years there has been an increased focus on environmental, social and governance, or ESG, on the part of many of our stakeholders. While we expect this trend to amplify demand among our traditional customers and in our core renewables business, we also believe that it is opening up significant new markets and business opportunities for Energy Resources. We anticipate our development program to be further enhanced by an ability to attract new, non-traditional customers, particularly in the commercial and industrial sector, as improving renewable economics are increasingly aligned with corporate objectives to procure energy from clean generation sources.

In summary, I continue to remain as enthusiastic as ever about NextEra Energy's long-term growth prospects. In 2020, we extended our long track record of executing for the benefit of customers and shareholders and further developed our best-in-class organic growth prospects. Based on the strength and resiliency 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 adjusted earnings per share expectations ranges in 2021, 2022 and 2023, while at the same time maintaining our strong credit ratings. We remain intensely focused on execution and continuing to drive shareholder value over the coming years.

(7) NEXTERA ENERGY PARTNERS OPENING REMARKS

Let me now turn to NextEra Energy Partners, which delivered a total unitholder return of approximately 32% in 2020, further advancing its history of value creation since the IPO. NextEra Energy Partners is uniquely positioned to take advantage of the disruptive factors reshaping the energy industry and benefit from the enormous market opportunity in the coming decades for renewables.

NextEra Energy Partners also had a terrific year of execution in 2020 and continued to deliver on its commitments. That history of execution is supported by NextEra Energy Partners' outstanding portfolio of clean energy assets, which was further diversified in 2020. During the year, NextEra Energy Partners acquired interests in approximately 1,100 megawatts of high-quality renewable energy assets, including the partnership's first battery storage project, from Energy Resources. Additionally, during the year NextEra Energy Partners successfully completed its first three organic growth projects, including the repowering of 275 megawatts of wind projects.

For 2020, NextEra Energy Partners grew its LP distributions by 15% year-over-year and delivered 40% year-over-year cash available for distribution growth, highlighting the strength of its operating portfolio. With this strong year-over-year growth in cash available for distribution, NextEra Energy Partners achieved its distribution growth objectives while maintaining a trailing twelve-month payout ratio in the high-60% range as of year-end 2020.

In the fourth quarter, we published our first NextEra Energy Partners ESG report, highlighting its high-quality clean energy portfolio, visible opportunities for renewables growth, and ability to leverage the operational expertise of NextEra Energy Resources. The continued origination success at Energy Resources is expected to benefit NextEra Energy Partners in meeting its future growth objectives.

I continue to believe that the combination of NextEra Energy Partners' clean energy portfolio, growth visibility and flexibility to finance that growth offers LP unitholders a uniquely attractive investor value proposition. As with NextEra Energy, we remain intensely focused on continuing to execute and deliver that unitholder value over the coming years.

Finally, I would like to take a moment to thank all of NextEra Energy's employees for their continued dedication, hard work, and focus during the extraordinary circumstances of the past year. Despite the significant disruption caused by the pandemic, and in the midst of the most active hurricane season in the Atlantic Basin on record, our employees' unwavering focus on our customers is what enabled yet another year of flawless execution in the business, while also delivering our best-ever safety results across the company. It is because of their commitment to excellence that we were able to deliver above and beyond our commitments in 2020 and why I remain as confident as ever in our ability to deliver on all of our expectations moving forward.

With that, I will now turn the call over to Rebecca who will review the 2020 results in more detail.

Rebecca Kujawa:

(8) FPL – FOURTH QUARTER & FULL YEAR 2020 RESULTS

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

For the fourth quarter of 2020, FPL reported net income of $502 million, or 25 cents per share, up 5 cents per share year-over-year. For the full year 2020, FPL reported net income of $2.65 billion, or $1.35 per share, an increase of 15 cents per share versus 2019.

(9) FPL – FOURTH QUARTER & FULL YEAR 2020 DRIVERS

Regulatory capital employed increased by approximately 11% for 2020 and was the principal driver of FPL's net income growth of more than 13% for the year. FPL's capital expenditures were approximately $2.2 billion in the fourth quarter, bringing its full year capital investments to a total of roughly $6.7 billion.

FPL's reported ROE for regulatory purposes was 11.6% for the twelve months ended December 31, 2020, which is at the upper end of the allowed band of 9.60 percent to 11.60 percent under our current rate agreement. During the fourth quarter, we utilized approximately $100 million of reserve amortization, leaving FPL with a year-end 2020 balance of $894 million. Approximately $206 million of reserve amortization was used to offset the restoration costs associated with Hurricane Isaias and Tropical Storm Eta, which FPL elected to not recover from customers through a surcharge. FPL's reserve amortization mechanism under its current settlement agreement, combined with our aggressive cost-cutting measures and the benefits of tax reform, has provided significant customer benefits, including avoided surcharges for approximately $1.7 billion in storm restoration costs since 2017.

Our overall capital program at FPL is progressing well. We continue to advance one of the nation's largest ever solar expansions. During the year, the Florida Public Service Commission approved FPL's SolarTogether program, which is the nation's largest community solar program that is expected to generate $249 million in total net cost savings for participating and non-participating customers over the program's life. After commissioning over 1,100 megawatts, or more than three and a half times the amount of solar capacity in 2020 versus the prior year, FPL expects to commission roughly 670 megawatts of additional SolarTogether capacity in 2021, and the customer demand for this innovative program across all customer classes remains strong.

Beyond solar, construction on the highly efficient, roughly 1,200 megawatt Dania Beach Clean Energy Center remains on schedule and on budget as it continues to advance towards its projected commercial operation date in 2022.

It should be noted that all of these significant accomplishments, including the deployment of nearly $7 billion of capital, were in the midst of not only a global pandemic but also during what was the most active hurricane season in the Atlantic Basin on record. We delivered our best-ever reliability results when our customers needed us the most, and we remain committed to supporting customers experiencing economic hardship as a result of the challenges caused by the pandemic. To date, FPL has provided customers with approximately $75 million in relief through various programs and initiatives. As Florida recovers, we will continue to help our customers navigate this difficult time while maintaining our best-in-class customer value proposition.

(10) GULF POWER – FOURTH QUARTER & FULL YEAR 2020 RESULTS

Let me now turn to Gulf Power, which, as a reminder, was legally merged into FPL on January 1, 2021, but will continue to be reported as a separate regulated segment during 2021. Gulf Power reported fourth quarter 2020 GAAP earnings of $53 million, or 3 cents per share, up 2 cents per share year-over-year. For the full year, Gulf Power reported net income of $238 million, or 12 cents per share, an increase of 2 cents per share year-over-year, on an adjusted basis. Base O&M reductions were the primary driver of Gulf Power's 19% year-over-year growth in adjusted earnings.

Gulf Power's reported ROE for regulatory purposes is expected to be approximately 11.1% for the 12 months ending December 2020, which is near the upper end of the allowed band of 9.25 percent to 11.25 percent under its current rate agreement. For the full year 2021, we expect the regulatory ROE to be in the upper half of this allowed band assuming normal weather and operating conditions.

All of our major capital initiatives at Gulf Power are progressing well. Gulf Power's first solar development project, the roughly 75 megawatt Blue Indigo Solar Energy Center, went into service in 2020 and is expected to generate significant customer savings over its lifetime. Gulf Power anticipates bringing another 150 megawatts of cost-effective, zero-emission solar capacity online later this year. The North Florida Resiliency Connection, which, among other things, will allow customers to benefit from greater diversity in solar output across two different time zones, is expected to be in-service in mid-2022. Continued smart capital investments such as these in renewables and core infrastructure are expected to drive customer benefits for many years to come.

(11) FLORIDA ECONOMY

The Florida economy continues to recover from the ongoing impacts of the COVID-19 pandemic. A number of current economic indicators, including retail taxable sales, new building permits and consumer confidence have meaningfully improved since the start of the pandemic in early 2020. Additionally, Florida's most recent seasonally adjusted unemployment rate of 6.4% is below the national average. While it is unclear at this point how the economy will be impacted by the current wave of COVID-19 cases, we continue to believe that Florida offers a unique proposition in terms of housing affordability, great weather, low taxes, and a pro-business economy—all of which should support ongoing FPL customer growth and economic rebound once the worst of the pandemic is behind us. We remain deeply engaged in helping Florida return from this stronger than ever and we will continue to do our part to support that outcome, including pursuing our smart capital investment program and economic development efforts which help create jobs, provide investment in local communities and further enhance our best-in-class customer value proposition.

(12) CUSTOMER CHARACTERISTICS – FPL & GULF POWER

During the quarter, FPL's average customer growth was strong, increasing by nearly 76,000 from the comparable prior-year quarter. FPL's fourth quarter retail sales were up 0.9% versus the prior year period, largely driven by a 2.3% year-over-year growth in underlying usage per customer. For 2020, FPL's retail sales increased 1.5% from the prior year, driven primarily by the ongoing strong growth in customers and a favorable weather comparison. On a weather-normalized basis, FPL's retail sales increased by 0.7% for the full-year 2020. The overall impacts of the pandemic on last year's retail sales were relatively muted, and FPL's underlying usage per customer was flat year-over-year.

For Gulf Power, the average number of customers increased approximately 0.9% versus the comparable prior-year quarter. For 2020, Gulf Power's retail sales declined 3.3% primarily as a result of more favorable weather in the prior year as well as lower usage per customer which we attribute, in part, to the ongoing impacts of the pandemic on our commercial and industrial customers.

(13) FPL – 2021 RATE PROCEEDING

As Jim mentioned, FPL is preparing to file a base rate adjustment proposal that would cover the next four years, 2022 through 2025, and provide customers longer-term visibility to the future cost of electricity. While the details are still being finalized, we expect the proposal to include base rate adjustments of approximately $1.1 billion starting in January of 2022 and $615 million starting in January of 2023. We also expect the proposal to request support for continued deployment of cost effective solar, with the continuation of our Solar Base Rate Adjustment, or SoBRA mechanism, to recover the revenue requirements associated with up to 900 megawatts of cost-effective solar projects in each of 2024 and 2025 which we currently estimate to be approximately $140 million each year.

For the period 2019 through the end of 2022, FPL is planning to have invested approximately $29 billion, with additional significant investments expected in 2023 and beyond to meet the growing needs of Florida's economy and to continue delivering outstanding value for Florida customers by keeping reliability high and fuel and other costs low. While the benefits of building a stronger, smarter grid and a cleaner, more efficient generation fleet are passed along regularly to customers through higher service reliability and lower bills, we must periodically seek recovery for these long-term investments supported by base rates.

As we have previously indicated, we plan to request the commission authorize unified rates and capital structure for both FPL and Gulf Power customers. We believe the combination of the two businesses will result in approximately $2.8 billion of savings for customers through both operational savings and overall system benefits.

FPL expects to request an 11.5% ROE, inclusive of a 50 basis point incentive for superior performance. Compared with peer utilities in the southeastern U.S., FPL has the most cost efficient operations, the highest reliability, the lowest customer bills—all while remaining one of the cleanest utilities in the country—and is widely regarded as the top overall performer in the industry, bringing exceptional value to customers. We believe that the performance adder would reflect FPL's current superior value proposition and encourage continued strong performance.

In addition, we continue to believe that a strong balance sheet, including strong credit ratings, remains critical to ensure FPL maintains uninterrupted access to the capital markets even in times of significant market disruption, in the aftermath of hurricanes, as well as to attract capital to support the investments FPL is making to further improve the value we offer customers.

(14) FPL – 2021 RATE PROCEEDING (CONT.)

The total of these base rate increase requests over the four-year period from 2022 to 2025 would result in an estimated average increase in total revenues of about 3.7% percent per year.

Today, FPL's typical residential bill is about 30% lower than the national average. If the full amount of the requests were granted under our proposal, and assuming other utilities experience bill increases only at their historical rates of increase, FPL's typical customer bills would remain significantly lower than national average through 2025.

To put this proposal in context, the proposal would result in a typical customer bill in January 2022 that is nearly 22% less than it was in real terms 15 years ago, even with our proposed base rate increases. Even in nominal terms, FPL bills would be only about 3.5% higher in 2022 than in 2006, a fraction of the nominal increases of 25% to 75% in the cost of groceries, medical care, health insurance, and housing over the past 15 years. Moreover, through the consolidation of FPL and Gulf Power, the typical 1,000-kWh residential customer bill in Northwest Florida is projected to be lower in 2025 than it was in 2019.

We look forward to the opportunity to present the details of our case and expect to make our formal filing, with testimony and required detailed data, in March. The timeline for the proceeding will ultimately be determined by the Commission, but we currently expect that we will have hearings in the third quarter, and a final Commission decision in the fourth quarter in time for new rates to go into effect in January 2022.

As always, we are open to the possibility of resolving our rate request through a fair settlement agreement. During the course of the past 22 years, FPL has entered into six multi-year settlement agreements that have provided customers with a high degree of rate stability and certainty and helped FPL execute to deliver its best-in-class customer value proposition. Our core focus will be to pursue a fair and objective review of our case that supports continued execution of our successful strategy for customers, and we will continue to provide updates throughout the process.

(15) Energy Resources – Fourth Quarter & Full Year 2020 Results

Energy Resources reported a fourth quarter 2020 GAAP loss of $644 million, or 33 cents per share. Adjusted earnings for the fourth quarter were $342 million, or 17 cents per share. Energy Resources' contribution to adjusted earnings per share in the fourth quarter is flat versus the prior-year comparable period, as favorable results from continued growth and performance in our renewables portfolio were roughly offset by a number of items, none of which are particularly noteworthy.

For the full year, Energy Resources reported GAAP earnings of $531 million, or 27 cents per share, and adjusted earnings of $1.95 billion, or 99 cents per share.

(16) ENERGY RESOURCES–ADJUSTED EPS CONTRIBUTION DRIVERS

Energy Resources' full year adjusted earnings per share contribution increased 12 cents, or approximately 14%, versus 2019. For the full year, growth was driven by continued new additions to our renewables portfolio, as contributions from new investments increased by 7 cents per share. Contributions from existing generation assets increased 3 cents versus 2019, due primarily to increased production tax credit volume from our repowered wind projects and an improvement in wind resource, which were partially offset by the planned nuclear outages and retirement of our Duane Arnold nuclear facility. Also contributing favorably was NextEra Energy Transmission, which increased results by 2 cents year-over-year, primarily as a result of full-year contributions from the Trans Bay Cable acquisition that closed in the middle of 2019. Contributions from all other impacts were flat year-over-year.

(17) Energy Resources – Development Highlights

Amid the disruption of the pandemic, Energy Resources had one of its best years ever, including successfully executing on the largest construction program in our history as well as delivering our best year ever for origination, adding a net nearly 7,000 megawatts of new renewables projects to our backlog.

In 2020, we commissioned approximately 5,750 megawatts of wind, solar, and storage projects on schedule and on budget. In addition, since the last call, we have added approximately 2,000 megawatts of renewables projects to our backlog, including approximately 1,030 megawatts of new wind and wind repowerings, 670 megawatts of solar and 300 megawatts of battery storage, including 75 additional megawatts of capacity on Desert Peak Storage, which is now expected to total 400 megawatts and remains the world's largest standalone storage project.

Following the terrific origination year in 2020, our renewables backlog now stands at approximately 13,500 megawatts. Despite a record year of megawatts placed in service, Energy Resources grew its year-end backlog by approximately 1,500 megawatts year-over-year providing terrific visibility to the strong growth that lies ahead. Since 2017, our backlog additions have grown at a roughly 25% compound annual growth rate.

As a result of our tremendous progress in 2020 and our strong continued origination success, we are raising our 2021 to 2022 renewables development expectations to a range of 10,525 megawatts to 12,700 megawatts, which at the midpoint is approximately 3,500 megawatts above our previous expectations. Our expectations for 2021 and 2022 are now up more than 50% at the midpoint relative to the expectations that we laid out at the 2019 investor conference reflecting the significant acceleration of renewables activity over the past year and a half. We are also introducing our 2023 to 2024 renewables development expectations of 12,150 megawatts to 17,300 megawatts. This is by far the largest expected two-year development program in our history and reflects our high level of confidence in Energy Resources' ongoing leadership position in renewable energy development.

The accompanying slide provides some additional details.

As we have previously discussed, we are optimistic about the expanded investment opportunities that the broad decarbonization of the U.S. economy presents for Energy Resources and we are pursuing a number of pilot projects to rapidly develop our capabilities across this potential investment opportunity set.

Today, we are announcing a new innovative green hydrogen project at Energy Resources that includes a 12-megawatt solar array, onsite hydrogen production and storage, and a hydrogen fuel cell. This emissions-free project will utilize solar energy to create green hydrogen to power the fuel cell, which will be able to provide electricity to the local grid during periods of peak demand. Subject to final terms and regulatory approvals, this approximately $20 million innovative green hydrogen project is expected to begin construction in 2022, with commercial operations in mid-2023.

Energy Resources is also in advanced discussions with a number of potential customers across the industrial landscape, including in food processing, specialty chemicals, and refineries, to develop economic clean energy solutions for more efficient, green production processes. One potential project includes a solar-tracker combined with an electrolyzer at a large industrial plant. The project would deliver green hydrogen as an industrial feedstock for the facility and, when not producing hydrogen, the solar power would offset a portion of the plant's energy consumption, further decarbonizing the facility's operations.

In addition, today Energy Resources announced a planned partnership to pursue large school bus fleet conversions to electric and hydrogen with the nation's largest school bus owner and operator and transportation services provider. With its partner, Energy Resources anticipates investing in bus electrification upgrades and charging stations, as well as providing energy management services. This transaction is consistent with our toe-in-the-water approach as we explore potential opportunities in the electrification of the transportation sector.

We are excited about all of these opportunities, as well as the previously announced hydrogen pilot project we plan to propose at FPL's Okeechobee Clean Energy Center, which highlight the significant opportunities that the broad decarbonization of the U.S. economy presents. Consistent with our long-term track record, NextEra Energy will remain disciplined as we take steps to be at the forefront of these developing markets while taking a leadership role in the clean energy transition.

Beyond renewables and storage, since the last earnings call Mountain Valley Pipeline made progress with its outstanding permitting issues, including receiving the Bureau of Land Management right of way grant which authorizes MVP to cross the Jefferson National Forest once the stream and wetland permitting is complete. While the 4th circuit denied a stay request on MVP's new Biological Opinion, the Court did grant a stay on the Nationwide 12 permit, and the project is now pursuing an alternate path forward to permit and complete stream and wetland crossings. Due to these continued legal and regulatory issues as well as the substantial delays in commercial operation and increased costs associated with those delays, the carrying value for our investment in MVP now exceeds its fair market value and, as a result, we have reflected a $1.2 billion after-tax impairment in our GAAP financial statements, which we have excluded from adjusted earnings. While we are disappointed with the extended development and construction timeline due to the legal challenges that the project has faced, we intend to continue pursuing completing the project with our partners.

Finally, during 2020 NextEra Energy Transmission furthered its efforts to grow America's leading competitive transmission company and had its best year ever. During the year, the business delivered a record earnings contribution and realized constructive rate case outcomes at Trans Bay Cable and Lone Star Transmission, as well as entered into an agreement to acquire GridLiance, which owns three FERC-regulated transmission utilities spanning six states. We continue to expect to obtain all necessary regulatory approvals and close on the GridLiance acquisition in the first half of this year.

(18) NEXTERA ENERGY – FOURTH QUARTER & FULL YEAR 2020 RESULTS

Turning now to the consolidated results for NextEra Energy, for the fourth quarter of 2020, GAAP net losses attributable to NextEra Energy were $5 million, or zero cents per share. NextEra Energy's 2020 fourth quarter adjusted earnings and adjusted EPS were $785 million, or 40 cents per share, respectively. For the full year 2020, GAAP net income attributable to NextEra Energy was $2.92 billion, or $1.48 per share. Adjusted earnings were $4.55 billion or $2.31 per share. As a reminder, all of our financial results have been adjusted to account for the 4-for-1 stock split which became effective in the fourth quarter.

For the Corporate & Other segment, adjusted earnings for the full year decreased 7 cents per share compared to the 2019 prior comparable period, primarily as a result of higher interest and refinancing costs associated with certain liability management initiatives completed during the fourth quarter to take advantage of the low interest rate environment.

In total for NextEra Energy, our refinancing activities reduced nominal adjusted net income by roughly $103 million in the fourth quarter, inclusive of approximately $39 million associated with Energy Resources' share of refinancing costs at NextEra Energy Partners. We expect these initiatives to translate into favorable net income contributions in future years and an overall improvement in net present value for our shareholders.

(19) NextEra Energy Expectations

Long-term financial expectations which we increased and extended late last year through 2023 remain unchanged. For 2021, NextEra Energy expects adjusted earnings per share to be in a range of $2.40 to $2.54. For 2022 and 2023, NextEra Energy expects to grow 6% to 8% off the expected 2021 adjusted earnings per share, and we will be disappointed if we are not able to deliver financial results at or near the top end of these ranges.

From 2018 to 2023 we continue to expect that operating cash flow will grow roughly in line with our adjusted EPS compound annual growth rate range. We also continue to expect to grow our dividends per share at a roughly 10% rate per year through at least 2022, off a 2020 base. As always, our expectations assume normal weather and operating conditions.

(20) NEP - Fourth Quarter & Full Year 2020 Highlights

Let me now turn to NextEra Energy Partners which also had a strong year of operational and financial performance in 2020.

Fourth quarter adjusted EBITDA was $308 million and cash available for distribution was $106 million, an increase of 10% and 8% from the prior year period, respectively. EBITDA growth was driven primarily by favorable resource across the portfolio and the full contributions from new projects acquired in late 2019 and was slightly offset by a planned outage at our Genesis project late in the fourth quarter.

For the full year 2020, adjusted EBITDA was $1.263 billion, up 14% year-over-year. Cash available for distribution was $570 million, an increase of 40% from the prior year.

Similar to the quarterly results, full-year growth in adjusted EBITDA was primarily driven by full-year contributions from acquisitions in the prior year and favorable wind resource. For the full year, wind resource was 100% of the long-term average versus 97% in 2019. The benefit to cash available for distribution from lower project level debt service was partially 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.

Yesterday the NextEra Energy Partners Board declared a quarterly distribution of 61.50 cents per common unit, or $2.46 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 2020.

(21) NEP FINANCING OVERVIEW

During 2020 NextEra Energy Partners executed several financings to support its ongoing growth investments and optimize its capital structure for the benefit of LP unitholders. As Jim mentioned, during the quarter we closed on an acquisition from Energy Resources of interests in an approximately 1,100 megawatt portfolio of long-term contracted renewables projects. As part of this transaction, NextEra Energy Partners raised a 10-year, approximately $1.1 billion convertible equity portfolio financing that includes the acquired assets plus four existing NextEra Energy Partners' wind and solar projects.

Combining this acquisition with the recapitalization of four existing NextEra Energy Partners' assets through the longest-dated and lowest-cost convertible equity portfolio financing in the partnership's history is expected to provide significant benefits for unitholders. By leveraging the strong demand for high-quality clean energy assets, NextEra Energy Partners was able to secure attractive financing for both the current transaction and future growth, while enhancing returns for LP unitholders and limiting downside risk. NextEra Energy Partners expects to further strengthen its balance sheet and have access to approximately $2.4 billion in available financing capacity, including capacity under its corporate revolving credit facility and commitments from investors in potential future convertible equity portfolio financings, which further supports the partnership's long-term growth.

During the second half of the year, NextEra Energy Partners completed the successful conversion of approximately $300 million of convertible debt and the remaining balance of the convertible preferred securities that were issued in 2017 into approximately 5.7 million and 4.7 million common units, respectively. These conversions help NextEra Energy Partners achieve its goal of using low-cost financing products to efficiently issue equity over time.

Finally, NextEra Energy Partners raised approximately $600 million in new, zero percent coupon convertible notes during the quarter and used the net proceeds from this offering to redeem a portion of its outstanding 4.25% senior notes due in 2024. Coincident with the issuance of the convertible notes, NextEra Energy Partners entered into a capped call structure that will result in NextEra Energy Partners retaining up to 90% of the upside in its unit price associated with the convertible note over the next 5 years.

(22) NextEra Energy Partners Expectations

NextEra Energy Partners run rate expectations for adjusted EBITDA and CAFD at December 31, 2021 remain unchanged. Year-end 2021 run rate adjusted EBITDA expectations are $1.44 billion to $1.62 billion and CAFD in the range of $600 million to $680 million. As a reminder, all of 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 2020 distribution per common unit at an annualized rate of $2.46, we continue to see 12 percent to 15 percent growth per year in LP distributions as being a reasonable range of expectations through at least 2024. We expect the annualized rate of the fourth quarter 2021 distribution that is payable in February of 2022 to be in a range of $2.76 to $2.83 per common unit.

In summary, we continue to believe that both NextEra Energy and NextEra Energy Partners have excellent prospects for growth both in the near and longer term. FPL, Energy Resources and NextEra Energy Partners each have an outstanding set of opportunities across the board. The progress we made in 2020 reinforces our longer-term growth prospects and, while we have a lot to execute on in 2021, we believe that we have the building blocks in place for another excellent year.

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

(23) Question and Answer Session – Logo