(1) Third Quarter 2021 Earnings Conference Call

<u>Jessica Aldridge:</u>

Thank you, Jamie.

Good morning everyone, and thank you for joining our third quarter 2021 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.

Rebecca will provide an overview of our results and 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. As a reminder, Gulf Power legally merged into Florida Power & Light Company effective on January 1, 2021. Gulf Power will continue as a separate reportable segment within Florida Power & Light and NextEra Energy through 2021, serving its existing customers under separate retail rates. Throughout today’s presentation when we refer to “FPL”, we are referring to Florida Power & Light excluding Gulf Power, unless otherwise noted or when using the term “combined.”

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

Rebecca Kujawa:

(3) NEXTERA ENERGY OPENING REMARKS

Thank you, Jessica, and good morning everyone.

NextEra Energy delivered strong third quarter results, with adjusted earnings per share increasing by approximately 12% year-over-year. Both the principal businesses executed well on major initiatives and we continued to advance our opportunity set for new renewables and storage. Building upon solid progress made in the first half of the year, NextEra Energy is well positioned to meet its overall objectives for 2021 and beyond.

Earlier this month, we were honored to be named on Fortune's 2021 "Change the World" list, the only electric utility in the world to be recognized. This recognition is a testament to NextEra Energy's best-in-class position in the renewable energy sector and our continued commitment to the customers and communities that we serve.

At FPL, net income increased approximately 10% versus the prior year comparable period, reflecting contributions from continued investment in the business. Most notably, during the quarter we reached what we believe is a fair and constructive long-term settlement agreement with a number of intervenors in our rate case, continuing a long history of negotiated outcomes that benefit both customers and shareholders. We believe the agreement, if approved, should enable us to continue to focus on operating the business efficiently while investing in the future to ensure resilience, reliability, affordability and clean energy for generations to come in Florida. We expect the Florida Public Service Commission to vote on our agreement at its agenda conference on October 26th, and I'll provide more details on the proposed agreement in a few minutes. FPL's major capital initiatives continued to progress well, including what will be the world's largest integrated solar powered battery system, the 409-megawatt FPL Manatee Energy Storage Center that is now 75% complete and on track to begin serving customers later this year.

Gulf Power also had a great quarter of execution, and its strong year-to-date financial performance is attributable to continued successful implementation of the cost reduction initiatives and smart capital investments that we have previously outlined. Gulf Power's year-to-date net income contribution increased approximately 14% versus the prior year comparable period, and we remain focused on improving the Gulf Power customer value proposition by providing lower costs, higher reliability, outstanding customer service and clean energy solutions for the benefit of our customers.

At Energy Resources, adjusted earnings for the quarter increased by approximately 12% year-over-year. Our development team had another terrific quarter of new renewables and storage origination, adding approximately 2,160 megawatts to our backlog since the last earnings call, marking the best quarter of overall origination and the best quarter of new wind energy additions in Energy Resources' history. These backlog additions include approximately 225 megawatts of combined solar and storage projects and a 500-megawatt wind project that is intended to power an adjacent new green hydrogen facility, which I'll provide some additional details on in just a few minutes. We continue to expect that our competitive advantages will drive meaningful growth in renewables and various forms of energy storage at Energy Resources in the coming years as the trend towards broad decarbonization across many facets of the U.S. economy takes hold.

Overall, with three strong quarters complete in 2021, we are pleased with the progress we are making at NextEra Energy and we are well positioned to achieve the full-year financial expectations that we have previously discussed, subject to our usual caveats.

(4) FPL – Third Quarter 2021 Results

Now let's look at the detailed results, beginning with FPL.

For the third quarter of 2021, FPL reported net income of $836 million, or 42 cents per share, which is an increase of $79 million and 4 cents per share, respectively, year-over-year.

(5) FPL – Third Quarter 2021 Drivers

Regulatory capital employed increased by approximately 10.5% over the same quarter last year and was the principal driver of FPL's year-over-year net income growth of approximately 10%. FPL's capital expenditures were approximately $1.5 billion in the third quarter and we expect its full year capital investments to total between $6.6 and $6.8 billion.

Our reported ROE for regulatory purposes will be approximately 11.6% for the 12 months ended September 2021. During the quarter we restored $124 million of reserve amortization, leaving FPL with a balance of $597 million.

As you know, much of the East Coast of the U.S. was recently impacted by Hurricane Ida, which made landfall on the Gulf Coast as a Category 4 hurricane and also caused catastrophic flooding across the northeastern U.S. Our deepest sympathies are with those that have been impacted by Ida's widespread destruction. We value deeply the industry's commitment to mutual assistance and we were fortunate to be in a position to assist other utilities this year. As part of our assistance efforts, we sent more than 1,250 of our employees and contractors, as well as transmission equipment and other supplies to help rebuild the grid, to support the restoration efforts of the impacted utilities.

(6) Gulf Power – Third Quarter 2021 Results

Let me now turn to Gulf Power, which reported third quarter 2021 net income of $91 million, or 5 cents per share. Gulf Power's third quarter EPS contribution was flat versus the prior year comparable quarter. As a reminder, the third quarter of 2020 benefitted from the reversal of COVID-19 related expenses that had occurred earlier in that year.

During the quarter, Gulf Power's regulatory capital employed grew by approximately 13% year-over-year. Gulf Power's capital expenditures were approximately $200 million during the third quarter and we expect its full year capital investments to be roughly $800 million. For the full year 2021, we continue to expect Gulf Power's regulatory ROE to be in the upper half of the allowed band of 9.25 to 11.25 percent.

All of our major capital initiatives at Gulf Power are progressing well. Gulf Power anticipates bringing approximately 150 megawatts of cost-effective, zero-emission solar capacity online within the next six months. 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. These continued smart capital investments in renewables and core infrastructure are expected to drive customer benefits for many years to come.

During the quarter, Gulf Power was impacted by Tropical Storm Fred, which experienced an unexpected change in path before striking the service territory. Through a restoration workforce of roughly 1,700 personnel, Gulf Power was able to restore service to essentially all of the approximately 20,000 customers impacted by Fred in Northwest Florida in less than 24 hours. Moreover, the average customer outage was restored in less than two hours. Our culture of preparation, including our annual storm drills, and the team's focused execution helped ensure an efficient, timely and safe response to the tropical storm.

(7) FLORIDA ECONOMY

The economy in Florida continues to grow at a healthy pace and remains among the strongest in the nation. Florida's labor force participation rate has recovered to its highest level in nearly 18 months, reflecting the ongoing recovery following the onset of the COVID-19 pandemic last year. The real estate sector in Florida also continues to grow, with three-month average new housing starts up over 40% year-over-year. In August alone, there were twice as many new housing starts in

Florida than the average over the last 10 years. Florida building permits, a leading indicator of residential new service accounts, are up 47% year-over-year and have outpaced the nation's quarterly growth by 32%.

As another indicator of Florida's economic health, Florida's retail sales index is up nearly 60% versus the prior year.

(8) Customer Characteristics

During the quarter, FPL's average number of customers increased by approximately 77,500, or 1.5%, from the comparable prior-year quarter, driven by continued solid underlying population growth. FPL's third quarter retail sales decreased 1.4% from the prior-year comparable period. A decline in weather-related usage per customer of approximately 2.7% offset the benefits of customer growth. On a weather-normalized basis, third quarter sales increased 1.3% with continued strong underlying usage contributing favorably.

For Gulf Power, the average number of customers grew 1.6% versus the comparable prior-year quarter and Gulf Power's third quarter retail sales increased 0.6% year-over-year, with strong usage from increased customer growth contributing favorably.

(9) FPL – 2021 BASE RATE PROCEEDING

As a reminder, on March 12th we initiated Florida Power & Light's 2021 base rate proceeding for rate relief beginning in January 2022. After months of negotiation, we reached a proposed settlement agreement in early August with a number of intervenors in the proceeding. The Office of Public Counsel, the Florida Retail Federation, the Florida Industrial Power Users Group, the Southern Alliance for Clean Energy, Vote Solar, the CLEO Institute, and the Federal Executive Agencies all joined the agreement, reflecting a broad set of constituents across our customer base.

The four-year proposed agreement, which begins on January 2022, provides for retail base revenue adjustments as shown on the accompanying slide, an allowed regulatory return on equity of 10.6 percent with a range of 9.7 percent to 11.7 percent, and no change to FPL's equity ratio from investor sources for the combined system. Should the average 30-year U.S. Treasury yield be 2.49% or greater over any consecutive six-month period during the term of the agreement, Florida Power & Light's allowed regulatory ROE would increase to 10.8 percent with a range of 9.8 percent to 11.8 percent. Additionally, if federal or state permanent corporate income tax changes become effective during the term of the proposed agreement, Florida Power & Light would be able to prospectively adjust base rates after a review of the impacts on base revenue requirements.

The proposed agreement also includes flexibility over the four-year term to amortize up to $1.45 billion of depreciation reserve surplus. Consistent with the rate plan filed in March, the proposed settlement agreement would unify the rates and tariffs of FPL and Gulf Power by implementing a 5-year transition rider and credit mechanism to address the initial differences in costs of serving the existing FPL and Gulf Power customers.

Additionally, the proposed settlement agreement also provides for solar base rate adjustments, or SoBRA, upon reaching commercial operations of up to 894 megawatts annually of new solar generation in each of 2024 and 2025, subject to a cost cap of $1,250 per kilowatt and showing an overall cost-effectiveness for FPL's customers. FPL would also be authorized to expand its SolarTogether voluntary community solar program by constructing an additional 1,788 megawatts of solar generation through 2025, which would more than double the size of our current SolarTogether program and is expected to save our customers millions of dollars over the lifetime of the assets.

In addition to solar energy, the settlement agreement would support FPL's green hydrogen pilot project in Okeechobee County. This innovative technology could one day unlock 100% carbon-free electricity that's available 24 hours a day. The proposed settlement agreement also introduces several electric vehicle programs and pilots designed to accelerate the growth of electric vehicle adoption and charging infrastructure investment across Florida with a total capital investment of more than $200 million.

Under the proposed agreement, FPL would continue to recover prudently incurred storm costs consistent with the framework in the current settlement agreement. Future storm restoration costs would be recoverable on an interim basis beginning 60 days from the filing of a cost recovery petition, but capped at an amount that could produce a surcharge of no more than $4 for every 1,000 kilowatt-hour of usage on residential bills during the first 12 months of cost recovery. Any additional costs would be eligible for recovery in subsequent years. If storm restoration costs were to exceed $800 million in any given calendar year, FPL could request an increase to the $4 surcharge.

We believe the proposed settlement is fair, balanced and constructive, and supports our continued ability to provide highly reliable, low-cost service for our customers through the end of the decade. FPL's typical residential bill is lower today than it was 15 years ago and well below the national average. The proposed agreement would keep typical residential bills well below the national average and among the lowest in Florida through 2025.

(10) ENERGY RESOURCES – THIRD QUARTER 2021 RESULTS

Let me now turn to Energy Resources, which reported third quarter 2021 GAAP losses of $428 million, or 22 cents per share. Adjusted earnings for the third quarter were $619 million, or 31 cents per share, which is an increase of $68 million and 3 cents per share, respectively, year-over-year. The effect of the mark-to-market on non-qualifying hedges, which is excluded from adjusted earnings, was the primary driver of the difference between Energy Resources' third quarter GAAP and adjusted earnings results.

(11) ENERGY RESOURCES–ADJUSTED EPS CONTRIBUTION DRIVERS

Contributions from new investments added 3 cents per share relative to the prior year comparable quarter, primarily reflecting continued growth in our contracted renewables and battery storage program. The contribution from existing generation assets increased 1 cent per share year-over-year.

Our customer supply and trading business contribution was 2 cents higher year-over-year due to favorable market conditions in our retail supply and power marketing businesses. All other impacts decreased results by 3 cents per share versus 2020, driven primarily by miscellaneous tax items.

(12) ENERGY RESOURCES – DEVELOPMENT HIGHLIGHTS

As I mentioned earlier, the Energy Resources development team had a record quarter of origination success, adding approximately 2,160 megawatts to our backlog. Since our last earnings call, we have added approximately 1,240 megawatts of new wind projects, 515 megawatts of new solar projects and 345 megawatts of new storage assets to our renewables and storage backlog. In addition, our backlog increased by Energy Resources' share of NextEra Energy Partners' planned acquisition of an approximately 100-megawatt operating wind project that the partnership is announcing today.

Through the first three quarters of 2021, we have added more than 5,700 megawatts to our renewables and storage backlog. Energy Resources' backlog of signed contracts now stands at approximately

18,100 megawatts. At this early stage, we have made terrific progress towards our long-term development expectations, with more than 7,600 megawatts of projects already in our post-2022 backlog.

Our backlog additions for the third quarter include a 500-megawatt wind project, the majority of which is contracted with a hydrogen fuel cell company. The project's customer intends to construct a nearby hydrogen electrolyzer facility that will use the wind energy production to supply up to 100% of the facility's load requirements. The hydrogen manufactured by the facility would enable commercial and industrial end-users to replace their current grey hydrogen and fossil fuel purchases with emissions-free green hydrogen, further accelerating the decarbonization of the industrial and transportation sectors.

Energy Resources also added nearly 300 megawatts of battery storage projects in California, and we continue to experience significant demand from California-based utilities and commercial and industrial customers for reliable energy storage solutions. We are currently developing nearly 2,400 megawatts of additional co-located and standalone battery storage projects in California with the potential to be deployed in 2023 and 2024 to enhance reliability and help meet the state's energy storage capacity requirements and ambitious clean energy goals. For more than 30 years, we have been investing in clean energy in California and are proud to help the state lead the country to a carbon free, sustainable future.

Consistent with our focus on growing our rate regulated and long-term contracted business operations, during the third quarter Energy Resources entered into an agreement to acquire a portfolio of rate-regulated water and wastewater utility assets in eight counties near Houston, Texas. The proposed acquisition expands our regulated utility business in an attractive market with significant expected customer growth and furthers our strategy to build a world-class water utility in the coming years. Subject to regulatory approvals, the acquisition is expected to close in 2022. Energy Resources is also currently in construction on an innovative water reuse and reclamation project that would help our customer achieve significant savings on its water supply needs and make its operations more efficient and sustainable, while at the same time delivering attractive returns to Energy Resources. While the roughly $45 million total equity investment for these transactions is small in the context of our overall capital program, we are optimistic about the strong growth anticipated in this new market and the potential for clean water solutions to generate additional contracted renewables opportunities going forward.

(13) NEXTERA ENERGY – THIRD QUARTER 2021 RESULTS

Turning now to the consolidated results for NextEra Energy, for the third quarter of 2021, GAAP net income attributable to NextEra Energy was $447 million, or 23 cents per share. NextEra Energy's 2021 third quarter adjusted earnings and adjusted EPS were $1.48 billion and 75 cents per share, respectively. Adjusted results from the Corporate & Other segment increased by 1 cent year-over-year.

(14) NEXTERA ENERGY EXPECTATIONS

Our long-term financial expectations through 2023 remain unchanged. For 2021, NextEra Energy expects adjusted earnings per share to be in a range of $2.40 to $2.54 and we would be disappointed not to be at or near the high end of this range. While we are pleased with our year-to-date results which have exceeded the top end of our growth rate expectations so far for the year, we expect the fourth quarter results to include impacts from certain liability management activities that we are currently reviewing to take advantage of the low interest rate environment. These initiatives could generate negative adjusted EPS impacts of as much as 8 to 10 cents in the fourth quarter before translating to favorable net income contributions in future years and an overall improvement in net present value for our shareholders.

Looking further ahead, for 2022 and 2023 NextEra Energy expects to grow 6 to 8 percent off of the expected 2021 adjusted earnings per share, and we would be disappointed if we are not able to deliver financial results at or near the top end of these ranges in 2022 and 2023. Our earnings expectations are supported by what we believe is the most attractive organic investment opportunity set in our industry.

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 of a 2020 base. As always, our expectations assume normal weather and operating conditions.

(15) NEXTERA ENERGY PARTNERS – OPENING REMARKS

Let me now turn to NextEra Energy Partners, which performed well and delivered third quarter results generally in line with our expectations. Yesterday the NextEra Energy Partners Board declared a quarterly distribution of 68.5 cents per common unit, or $2.74 per common unit on an annualized basis, continuing our track record of growing distributions at the top end of our 12 to 15 percent per year growth range. Inclusive of this increase, NextEra Energy Partners has now grown its distribution per unit by more than 265% since the IPO.

NextEra Energy Partners continued to execute against its growth initiatives during the quarter. Since the last earnings call, NextEra Energy Partners closed on its previously announced acquisitions of approximately 400 megawatts of operating wind projects from a third party and approximately 590 net megawatts of geographically diverse wind and solar projects from Energy Resources. In addition, today we are announcing an agreement to acquire an approximately 100-megawatt operating wind asset in California from a third party to further expand NextEra Energy Partners' portfolio and enhance its long-term growth visibility. The project is located in a strategic market with strong expected growth in renewables demand, and it also offers significant optionality to NextEra Energy Partners in terms of operational savings and long-term value creation.

NextEra Energy Partners intends to purchase the asset for a total consideration of approximately $280 million, subject to closing adjustments, which includes the assumption of approximately $150 million in existing project finance debt estimated at the time of closing. NextEra Energy Partners expects to recapitalize this project finance debt in 2022 as it executes on its overall financing plan for the year. We expect to fund the approximately $130 million balance of the purchase price using existing debt capacity. Subject to regulatory approvals, the acquisition is expected to close later this year or in early 2022.

Following the project debt paydown next year, the asset is expected to contribute adjusted EBITDA and unlevered cash available for distribution of approximately $22 to 27 million, each on a five-year average annual run rate basis beginning December 31, 2022. NextEra Energy Partners continues to leverage its competitive advantages to be successful in third-party M&A and extend its long runway of growth.

Consistent with our long-term growth prospects, today we are also introducing year-end 2022 run rate expectations which are built upon its strong existing portfolio cash generation and continued ability to access low-cost capital to acquire accretive renewable energy projects.

Overall, we are pleased with the year-to-date execution at NextEra Energy Partners and believe we are well positioned to continue delivering LP unitholder value going forward.

(16) NextEra Energy Partners – Third Quarter 2021 Drivers

Now let's look at the detailed results.

Third quarter adjusted EBITDA was $334 million, up approximately 7% from the prior year comparable quarter due to growth in the underlying portfolio. New projects, which primarily reflect the asset acquisitions that closed at the end of 2020 and the recently closed acquisition of 391 megawatts of operating wind assets from a third party, contributed $23 million. Existing assets contributed $7 million, primarily driven by the wind repowerings that occurred in the fourth quarter of last year and an improvement in wind resource. Wind resource for the third quarter was 101% of the long-term average versus 96% in the third quarter of 2020. These favorable impacts were partially offset by lower solar resource in the third quarter of this year.

Cash available for distribution of $158 million for the third quarter declined by $4 million versus the prior year primarily as a result of lower year-over-year PAYGO payments after a weaker wind resource period in the second quarter of this year. As a reminder, NextEra Energy Partners recapitalized its Genesis solar project and other existing assets at the end of last year, and the impact of this new project-level financing cost versus the prior year was offset by an associated reduction in corporate-level interest expense as reflected in our “Other” category. Additional details of our third quarter results are shown on the accompanying slide.

On a year-to-date basis versus 2020, adjusted EBITDA and cash available for distribution have increased by roughly 9% and 6%, respectively, and NextEra Energy Partners remains well-positioned to continue to deliver on its outstanding growth objectives.

(17) NEXTERA ENERGY PARTNERS EXPECTATIONS

We continue to expect the NextEra Energy Partners portfolio to support an 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. From a base of our fourth quarter 2020 distribution per common unit at an annualized rate of $2.46, we continue to see 12 to 15 percent growth per year in LP distributions as being a reasonable range of expectations through at least 2024.

NextEra Energy Partners continues to expect to be in the upper end of our previously disclosed year-end 2021 run rate adjusted EBITDA and cash available for distribution expectations ranges of $1.44 billion to $1.62 billion and $600 million to $680 million, respectively. We expect to achieve our 2022 distribution growth of 12 to 15 percent while maintaining a trailing twelve-month payout ratio in the low-80 percent range.

By year-end 2022, we expect the run rate for adjusted EBITDA to be in a range of $1.775 to $1.975 billion and run rate for cash available for distribution to be in the range of $675 to $765 million. At the midpoints, these revised expectations ranges reflect estimated growth in adjusted EBITDA and cash available for distribution of roughly 23 and 13 percent, respectively, from the comparable year-end 2021 run rate expectations. These growth rates are supported by our strong execution against our long-term growth objectives in 2021, including opportunistic third-party transactions that were not previously in our plan. 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.

Finally, during the quarter, S&P updated its ratings methodology for NextEra Energy Partners, and in particular it will now evaluate NextEra Energy Partners' debt metrics on a funds-from-operations, or FFO, to debt basis, with a downgrade threshold of 14%, instead of a debt to EBITDA basis. We believe that the combination of S&P's updated methodology, its assessment of NextEra Energy Partners' improving diversity and its use of less conservative assumptions for the portfolio's renewable generation cash flows will allow for several hundred million dollars more of financing flexibility relative to our previous assumptions, providing the partnership with even greater flexibility going forward to finance accretive acquisitions for the benefit of our unitholders.

In summary, we continue to believe that both NextEra Energy and NextEra Energy Partners have some of the best opportunity sets and execution track records in the industry and we remain as enthusiastic as ever about our future prospects.

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

(18) Question and Answer Session – Logo