

POTENTIAL PORTFOLIO SALE: REVIEW OF NEXTERA ENERGY CANADIAN ASSETS

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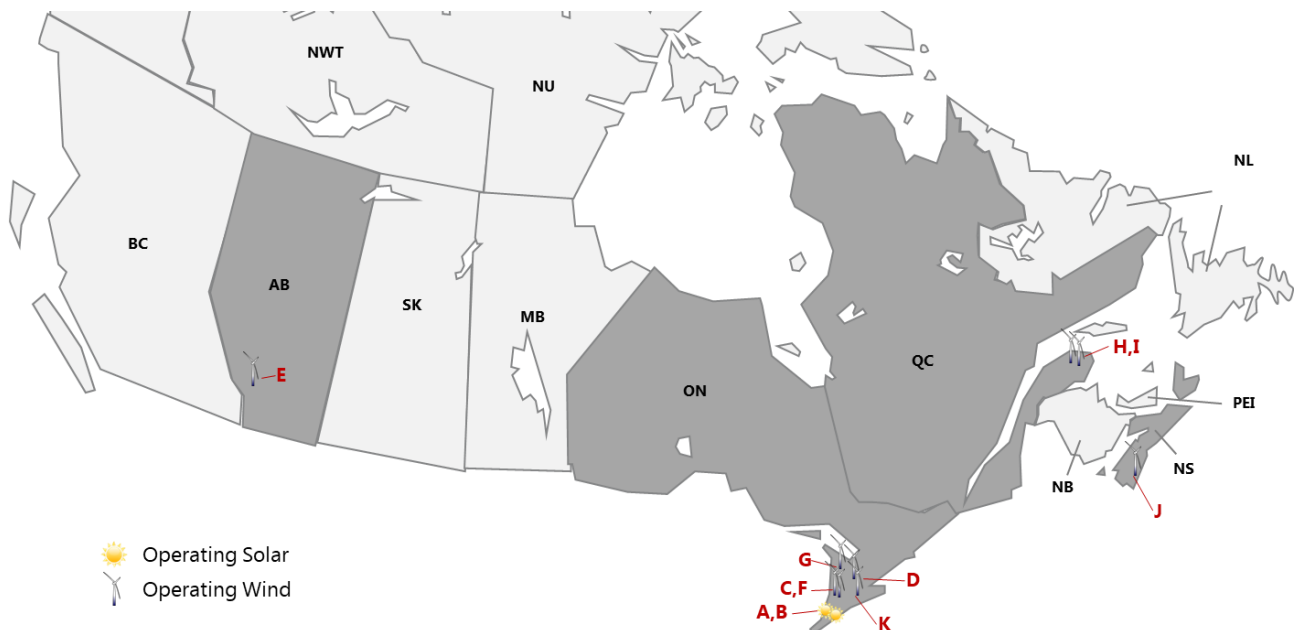
To: Clients and Colleagues

From: John Dalton, President, Carson Robers, Consultant and Caitlin Laber, Researcher, Power Advisory LLC

On January 26th, NextEra Energy executives announced that the company is considering the sale of its Canadian assets. John Ketchum, Executive Vice President of Finance and Chief Financial Officer for NextEra Energy, stated during an [Q4 and full-year 2017 earnings call](#) that the company is exploring the sale of its Canadian portfolio to recycle capital back into its U.S. assets, which are expected to benefit from recent corporate tax reform. NextEra is continuing to evaluate this opportunity and will provide updates regarding this potential sale in the coming months.

Operating in four provinces, NextEra Energy's Canadian assets include two solar projects (40 MW) and nine wind projects (675 MW). All but one of these projects have long-term contracts with the respective purchasing entities in each province.

Figure 1: NextEra Energy Canadian Project Locations



NextEra Energy Canadian Portfolio - Solar

Project	Location	In-Service Date	Capacity (MW)	Offtaker / Contract
A: Moore Solar	Lambton County, ON	Feb. 2012	20	IESO / RESOP
B: Sombra Solar	Lambton County, ON	Feb. 2012	20	IESO / RESOP

NextEra Energy Canadian Portfolio - Wind

Project	Location	In-Service Date	Capacity (MW)	Offtaker / Contract
C: Bluewater Wind	Huron County, ON	Jul. 2014	59.9	IESO / FIT
D: Conestogo	Wellington County, ON	Dec. 2012	22.9	IESO / FIT
E: Ghost Pine Wind	Kneehill County, AB	Dec. 2010	81.6	Merchant
F: Goshen	Huron County, ON	Jan. 2015	102	IESO / FIT
G: Jericho	Lambton & Middlesex Counties, ON	Feb. 2015	149	IESO / FIT
H: Mount Copper	La Côte-de-Gaspé, QC	Jun. 2004	52.2	HQD
I: Mount Miller	La Côte-de-Gaspé, QC	Jun. 2005	52.2	HQD
J: Pubnico Point	Yarmouth County, NS	Jun. 2005	30.6	NSPI
K: Summerhaven Wind	Haldimand County, ON	Jul. 2013	124.4	IESO / FIT

It is unclear to what extent there is a tax advantage for NextEra to go ahead with the sale and when it might occur. Interested parties would benefit from taking a detailed look at each of the potentially available assets to evaluate their fit with their existing generation portfolio. In particular, the 7 solar and wind projects located in Ontario may be attractive given the number of years remaining in their contract terms. Any participant in Alberta and Ontario's wholesale markets must consider the implications of the ongoing market design and evolution processes in these jurisdictions to assess the implications on future revenue opportunities.

With offices in Toronto and Calgary Power Advisory follows Canadian electricity markets closely and would welcome the opportunity to help clients assess this potential project acquisition opportunity and to evaluate other generation assets across North America.