

What Brookfield Renewable Partners L.P.'s 2025 Annual Report assumes, believes and expects

Source: Brookfield Renewable Partners L.P. - Annual Report, 2025 (102 pages). Public document.

Five assumptions worth your attention

These claims are never argued for directly, but the strategy depends on them.

Private buyers will continually purchase de-risked operating assets at premiums above development cost to sustain capital recycling.

Why it matters: Brookfield generated \$4,500 million (\$1,300 million net) in asset sales proceeds in 2025 at 2.4x invested capital, relying on capital recycling as a primary funding source for growth.

What would prove or disprove it: Disclosures of asset sale proceeds, realized multiples, or transaction execution delays in 2026-2027 quarterly filings.

Hyperscaler energy demand driven by artificial intelligence will scale rapidly without facing severe transmission grid delays or technological substitution.

Why it matters: The business strategy relies heavily on large corporate demand and power purchase agreements, such as the 3,000 MW Hydro Framework Agreement with Google.

What would prove or disprove it: Commercial PPA execution volumes with technology companies and grid interconnection queue duration data.

Massive battery cost reductions will mirror historical solar trends to make storage deployment profitable under long-term fixed-price contracts.

Why it matters: Brookfield acquired Neoen to quadruple battery operating capacity to over 10,000 MW within three years based on an ongoing 95% historical cost decline.

What would prove or disprove it: Battery project IRR disclosures and battery cell capital expenditure cost trends in 2026-2028.

U.S. government policy and long-term partnership commitments for Westinghouse nuclear technology will persist across political administrations.

Why it matters: Westinghouse entered into a strategic partnership agreement with the U.S. government to deploy new AP1000 reactors to anchor long-term service revenues.

What would prove or disprove it: Definitive U.S. government order executions and procurement appropriations for AP1000 long-lead items.

Hydrological variations across major river basins will remain within historical 30-year boundaries without permanent climate-driven downward shifts.

Why it matters: Hydroelectric power provides \$607 million of FFO (45% of total FFO), and valuation models use 30-year historical simulations to set long-term average generation targets.

What would prove or disprove it: Annual actual generation relative to long-term average (LTA) generation across North American and South American hydro fleets.

The fuller list

Sorted by how the document itself frames each claim.

Category	Claim	Source
<i>Stated outright</i>	The company expects to deliver an annual run-rate of approximately 10,000 megawatts of new commissioned renewable capacity by 2027.	<i>Annual Letter to Unitholders</i>
<i>Stated outright</i>	Management targets 10%+ Funds From Operations (FFO) per unit growth and 12% to 15% long-term total return per unit annually.	<i>Annual Letter to Unitholders</i>
<i>Stated outright</i>	The company targets annual distribution growth of 5% to 9% for unitholders while maintaining internally generated cash flow support.	<i>Competitive Strengths</i>
<i>Stated outright (risk framing)</i>	Severe weather events, droughts, or changing weather patterns due to climate change could permanently reduce generation capacity and cash flows.	<i>Risk Factors</i>
<i>Stated outright (risk framing)</i>	Interconnection delays and transmission grid capacity constraints may restrict the ability to deliver power or develop new utility-scale projects.	<i>Risk Factors</i>
<i>Stated outright (risk framing)</i>	Cyber-attacks or computerized business system disruptions could lead to unplanned facility shutdowns, operational loss, and regulatory penalties.	<i>Risk Factors</i>
<i>Partly third-party</i>	S&P; Global Ratings assigned a medium green rating and top Green Evaluation scores over 90/100 to the company's green financing framework and project bonds.	<i>ESG Management via S&P;</i>
<i>Asserted, no evidence shown</i>	Renewables are asserting themselves as the lowest cost and fastest to deploy bulk electricity generation source globally.	<i>Annual Letter to Unitholders</i>
<i>Asserted, no evidence shown</i>	Private investor demand for de-risked, cash-flowing infrastructure operating assets will remain structurally stronger than for traditional fixed income.	<i>Annual Letter to Unitholders</i>
<i>Aspiration, no numbers</i>	The business strives to achieve net-zero Scope 1, 2, and material Scope 3 greenhouse gas emissions across all operations by 2050 or sooner.	<i>ESG Management</i>
<i>Aspiration, no numbers</i>	The company aims to expand deployment of Westinghouse nuclear technology well beyond initial orders to international corporate and government clients.	<i>Annual Letter to Unitholders</i>

Category	Claim	Source
<i>Implicit, derived from the figures</i>	Long-term power purchase agreements expiring over the next five years in North America will be re-contracted at net positive cash flow margins.	<i>Contract Profile</i>
<i>Implicit, derived from the figures</i>	Capital requirements for project construction can be satisfied using non-recourse subsidiary debt without triggering parent liquidity or covenant strain.	<i>Liquidity and Capital Resources</i>
<i>Implicit, derived from the figures</i>	Inflation indexation clauses embedded in power purchase agreements will fully offset local currency devaluation and unhedged operational cost inflation in South America.	<i>Risk Management</i>
<i>Implicit, derived from the figures</i>	The 10% annual FFO per unit growth target assumes non-recurring disposition gains included in FFO will be consistently replaced by new asset sales.	<i>MD&A; Segmented Results</i>
<i>Standard legal boilerplate</i>	Forward-looking statements involve known and unknown risks, and actual future results or performance may differ materially from expectations.	<i>Cautionary Statements</i>

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