

August 17, 2021

Via Electronic Mail

ndpsc@nd.gov

Mr. Steve Kahl
Executive Director
North Dakota Public Service Commission
600 E. Boulevard, Dept. 408
Bismarck, ND 58505-0480

In re: Oliver Wind I, LLC
Oliver Wind Energy Center
Decommissioning
Case No. PU-10-101
Our File No. 035218-000023

Dear Mr. Kahl:

Notice is hereby provided that the Oliver Wind Energy Center located in Oliver County, North Dakota has been transferred from FPL Energy Oliver Wind I, LLC to Oliver Wind I, LLC. Both entities are indirect, wholly-owned subsidiaries of NextEra Energy Resources, LLC. As part of an associated corporate restructuring and financing transaction, FPL Energy Oliver Wind I, LLC's assets were transferred to a new project entity, Oliver Wind I, LLC.

As a result of the transfer, Oliver Wind I, LLC provides the enclosed parent guarantee to replace the facility's existing decommissioning parent guarantee which was approved by the Commission on July 23, 2020. *See* PU-10-101, Docket No. 25. The enclosed guarantee is executed by Oliver Wind I, LLC as owner and NextEra Energy Capital Holdings, Inc. ("NextEra Energy Capital Holdings") as parent guarantor. NextEra Energy Capital Holdings also provided the parent guarantee for FPL Energy Oliver Wind I, LLC. *See* PU-10-101, Docket No. 21. Also enclosed is the current credit rating information for NextEra Energy Capital Holdings.

Please feel free to contact me with any questions. Thank you.

Sincerely,


Casey A. Furey

Enc.

cc: Tracy Davis (via email); Adam Renfandt (via email)



PARENT GUARANTEE
PUBLIC SERVICE COMMISSION PUBLIC
UTILITY DIVISION

Owner/Obligor OLIVER WIND I, LLC	Guarantor NEXTERA ENERGY CAPITAL HOLDINGS, INC.
Financial Assurance Number:	Financial Assurance/Guarantee Amount: \$2,970,000

This Parent Guarantee is made by NEXTERA ENERGY CAPITAL HOLDINGS, INC., a corporation organized under the laws of the State of Florida (“**GUARANTOR**”). This absolute and irrevocable guarantee is made on behalf of OLIVER WIND I, LLC (“**OWNER**” or “**OBLIGOR**”), which is a subsidiary of Guarantor, for the benefit and in favor of the NORTH DAKOTA PUBLIC SERVICE COMMISSION (“**COMMISSION**”).

RECITALS

1. The COMMISSION has the legal authority under North Dakota Century Code section 49-02-27 to administer the requirements for wind energy conversion facility decommissioning in the State of North Dakota.
2. GUARANTOR’s indirect, wholly-owned subsidiary, OBLIGOR, owns the following Commercial Wind Energy Facility (“Facility):

Name	Oliver Wind I, LLC
Address	700 Universe Blvd
City, State, Zip	Juno Beach, FL 33408
Site Certificate Number (“Certificate”)	Not Applicable
Project Description	Project is located in Oliver County, North Dakota
Estimated Operation Date	Original Operation Date December 19, 2006; Repower Operation Date July 9, 2020
Decommissioning Cost Estimate	\$2,970,000

3. GUARANTOR will directly or indirectly benefit from the Facility for which the above site certificate has been issued.
4. The OBLIGOR is required to provide to the COMMISSION financial assurance to secure the decommissioning and remediation obligation of OBLIGOR pursuant to North Dakota Century Code Section 49-02-27 and North Dakota Administrative Code Chapter 69-09-09 (together, the “**STATUTE**”) and GUARANTOR desires to guarantee such obligation.
5. The GUARANTOR satisfies the requirements and criteria set by the North Dakota Administrative Code section 69-09-09-08 to allow for a Parental Guarantee.
6. GUARANTOR has full authority under the laws of the State of Florida, its articles of incorporation and its bylaws to enter into this Guarantee. GUARANTOR has full approval from its Board of Directors to enter into this Guarantee.

7. The GUARANTOR wishes to issue this Guarantee to COMMISSION to satisfy the terms of the STATUTE.
8. It is in the best interests of GUARANTOR, in the legitimate furtherance of its purposes and business, to enter into this Guarantee.

* * *

9. For the good and valuable consideration, GUARANTOR guarantees to the COMMISSION that in the event OBLIGOR fails to perform decommissioning and remediation of the Facility in accordance with the Decommissioning Plan¹, the STATUTE, and to the satisfaction of the COMMISSION, and the GUARANTOR does not substitute performance for the OBLIGOR upon COMMISSION request in accordance with the Decommissioning Plan, the STATUTE, and to the satisfaction of the COMMISSION, the GUARANTOR hereby and irrevocably guarantees timely payment of all obligations owing to the COMMISSION to complete decommissioning and remediation of the site. This Guarantee shall constitute a guarantee of payment and not of collection.
10. GUARANTOR agrees to make prompt payment upon demand of the full amount, or portions thereof, requested by the COMMISSION, of the Parental Guarantee, on the terms and conditions described in this agreement, said payments of monies to be used for the decommissioning and remediation of the above-listed Facility in accordance with the STATUTE.
11. GUARANTOR hereby fully consents to the following, none of which affects, changes or discharges the obligations of this Guarantee:
 - a. Extensions of time for performance of the whole or any part of the conditions of the above listed financial assurance.
 - b. Changes, revisions, modifications, or renewals of the Certificate.
 - c. Renewals, revisions, modifications to the terms of the above-stated financial assurance that have been agreed to by the GUARANTOR and approved by the COMMISSION, including increases or decreases in dollar amount of the guarantee, or the Decommissioning Plan of the Facility for which the above site certificate has been issued in accordance with the STATUTE.
12. GUARANTOR expressly waives the following:
 - a. Notice of the acceptance of this Guarantee by the COMMISSION.
 - b. Notice of changes, revisions, modifications or renewals to the Certificate.
 - c. Notice of any extensions of time for performance of the whole or any part of the condition of the above listed financial assurance.
 - d. With the exception of demand for payment, all other notices to which GUARANTOR might otherwise be entitled in connection with this guarantee or the obligation hereby guaranteed.
 - e. The institution of civil actions or exhaustion of legal remedies against the OBLIGOR as a condition to enforcement of this Guarantee.
 - f. It is understood that any notice provided by the COMMISSION to the GUARANTOR does not constitute a release or modification of the above waivers.

¹ "Decommissioning Plan" means the plans filed and maintained in compliance with North Dakota Administrative Code Title 69 for the decommissioning and remediation of the facility.

This Guarantee is subject to the following conditions:

13. A signed statement that the Commission has ordered the forfeiture, in whole or in part, of the above listed financial assurance must accompany any demand for funds.
14. GUARANTOR agrees to pay all costs and expenses incurred by the COMMISSION in any successful action instituted to enforce the terms of this Guarantee.
15. This Guarantee will be limited as follows:
 - a. Financial Assurance and Guarantee Amount: The indebtedness reflected by the above listed financial assurance and Guarantee Amount existing at the time of forfeiture.
 - b. Litigation and administrative costs: The actual amount of such costs reasonably incurred in any successful effort to enforce requirements and obligations of the OBLIGOR and the obligations of the GUARANTOR under this agreement. Litigation and administrative costs are not limited by indebtedness reflected by the above listed financial assurance.
 - c. The Guarantee and the GUARANTOR's obligations hereunder shall terminate automatically and immediately at **11:59:59 Eastern Prevailing Time July 9, 2065** (the "Termination Date") provided, that, in the event the facility decommissioning and remediation is not complete prior to the Termination Date and the OBLIGOR has not provided an alternative financial assurance reasonably acceptable to the COMMISSION, the GUARANTOR shall post alternative financial assurance acceptable to the COMMISSION sixty (60) days prior to the Termination Date.
 - d. If, within sixty (60) days of Termination Date, the GUARANTOR or COMMISSION dispute the acceptability of an alternative financial assurance or the completion status of decommissioning and remediation, the GUARANTOR shall deposit an amount equal to the Decommission Cost Estimate in a trust account with the Bank of North Dakota as trustee for the benefit of the COMMISSION. The trustee shall make payments from the fund, as the COMMISSION shall direct in writing, to provide for completion of decommissioning and remediation.
16. If the OBLIGOR fails to complete the decommissioning and remediation as required by STATUTE, the terms and conditions of the Certificate, and to the satisfaction of the Commission, the GUARANTOR shall be required to complete decommissioning and remediation for the lands in default or pay the State of North Dakota the amount necessary to complete the Decommissioning Plan, not to exceed the financial assurance amount within ten (10) business days after the receipt of the COMMISSION's demand for payment. GUARANTOR hereby agrees that demands for payment may be based and are payable on projections of costs or their actual accrual and that liability for payment is not contingent on the costs having been presently sustained.
17. The GUARANTOR agrees to notify the COMMISSION by certified mail, of a voluntary or involuntary proceeding under title 11 (Bankruptcy), United States Code, naming GUARANTOR as debtor, within ten days after commencement of the proceeding.
18. GUARANTOR agrees that if, at the end of any fiscal year the GUARANTOR no longer meets the 69-09-09-08 requirements allowing a guarantee, the GUARANTOR shall send within ninety (90) days, by certified mail, written notice to the COMMISSION and to the OBLIGOR. GUARANTOR may not terminate its guarantee until an alternate financial assurance acceptable to the COMMISSION has been established.
19. GUARANTOR agrees that within sixty (60) days after being notified by the COMMISSION of a

determination that GUARANTOR no longer meets the 69-09-09-08 requirements or that the GUARANTOR is disallowed from continuing as a guarantee of decommissioning and remediation, the GUARANTOR shall establish alternative financial assurance acceptable to the COMMISSION in the name of the OBLIGOR unless the OBLIGOR has done so.

20. The GUARANTOR agrees to remain bound under this Guarantee notwithstanding any or all of the following: amendment or modification of the Decommissioning Plan, amendment or modification of the Certificate of Site Compatibility, the extension or reduction of the time of performance after abandonment or end-of-life and/or decommissioning and remediation, or any other modification or alteration of an obligation of the OBLIGOR.
21. The GUARANTOR agrees to remain bound under this Guarantee for as long as the OBLIGOR must comply with the applicable financial assurance requirements of North Dakota Administrative Code title 69 for the above-listed facility, except as provided in paragraph 22 of this agreement.
22. The GUARANTOR may terminate this agreement by sending written notice by certified mail to the COMMISSION and to OBLIGOR at least one hundred and twenty (120) days in advance of the proposed cancellation, provided that this Guarantee may not be terminated unless and until OBLIGOR obtains, and the COMMISSION approves, alternative financial assurance, or the facility decommissioning and remediation is deemed complete by the COMMISSION.
23. The GUARANTOR shall send a written notice by certified mail to the COMMISSION, not less than two years prior to the Termination Date, providing notice of the Termination Date contained herein.
24. This Guarantee is and continues to be effective notwithstanding any present or future legal disability of the OBLIGOR.
25. There are no conditions or limitations to this Guarantee except those contained in this instrument as of the effective date, and thereafter no alteration, change or modification hereof shall be binding or effective unless executed in writing, signed by the GUARANTOR, and approved by the COMMISSION.
26. This Guarantee is good and effective notwithstanding any change or changes in the business name of the OBLIGOR or GUARANTOR.
27. This Guarantee is binding upon GUARANTOR and its successors and permitted assigns, and inures to the benefit of and is enforceable by the Commission and its successors and permitted assigns. GUARANTOR may not assign this Guarantee in part or in whole without prior written consent of the Commission.
28. No changes, revisions, modifications or renewals to the above listed Financial Assurance or the Certificate act as a release of the GUARANTOR from this Guarantee unless approved by the COMMISSION.
29. In the case of insolvency, bankruptcy or dissolution of the OBLIGOR, all funds represented by the above listed financial assurance are due and payable and this Guarantee may thereupon be enforced.
30. All notices required to, or which may be given, are effective when received by the addressees specified below:

a. For the Guarantor:
NextEra Energy Capital Holdings, Inc.
700 Universe Blvd.
Juno Beach, Florida 33408
Attention: Treasurer

b. For the Commission
Executive Secretary
North Dakota Public Service Commission
State Capitol, 12th Floor
600 E. Boulevard, Dept. 408
Bismarck, ND 58505-0480

31. This Guarantee is a binding contract and must be construed under and is subject to the laws of the State of North Dakota. Any action arising out of this Guarantee or the subject matter hereof must be adjudicated exclusively in the state District Court of Burleigh County, North Dakota. GUARANTOR agrees to the exclusive jurisdiction of such court and waives any claim of lack of jurisdiction or *forum non conveniens*, or that this Guarantee or the subject matter hereof may not be enforced in or by such court.

32. This agreement may be executed in any number of identical counterparts, each of which, when executed and delivered by the GUARANTOR hereto, is considered to be an original, but all of which shall constitute one and the same instrument.


33. The effective date of this agreement is the date of Commission approval.

34. Other

35. The COMMISSION hereby agrees that this Guarantee supersedes and replaces that certain Guarantee executed by GUARANTOR in favor of the COMMISSION filed July 1, 2020 as Docket No. 21 in Case No. PU-10-101 (the "Prior Guarantee") attached as **Exhibit A**, and such Prior Guarantee and any of GUARANTOR'S obligations thereunder are hereby deemed null and void.

SIGNATURES OF GUARANTOR:

First Authorized Signature:

Signature of President or Authorized Officer 	
Name Aldo Portales	Title Assistant Treasurer

State of FLORIDA)
) SS.
 County of PALM BEACH)

The foregoing instrument was acknowledged before me on this date June 8 , 2021 by

Aldo Portales, as Assistant Treasurer

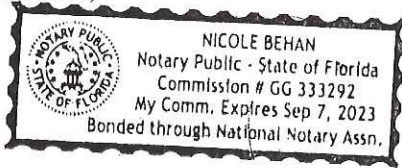
of NextEra Energy Capital Holdings, Inc., a Florida corporation, on behalf of the corporation.

BY: Nicole Behan Ni Pu

NOTARY PUBLIC: 333292

MY COMMISSION EXPIRES: Sep 7, 2023

(SEAL)



Second Authorized Signature:

Signature of Chief Financial Officer or Authorized Officer	
<i>Joseph Balzano</i>	
Name Joseph Balzano	Title Assistant Treasurer

State of FLORIDA)
) SS.
 County of PALM BEACH)

The foregoing instrument was acknowledged before me on this date June 8 , 2021 by

Joseph Balzano, as Assistant Treasurer

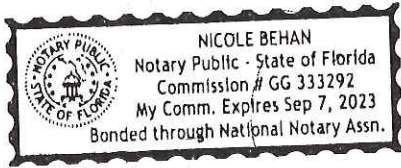
of NextEra Energy Capital Holdings, Inc., a Florida corporation, on behalf of the corporation

BY: Nicole Behan

NOTARY PUBLIC: 333292

MY COMMISSION EXPIRES: Sep 7, 2023

(SEAL)

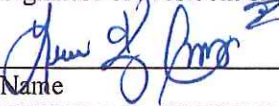


ACKNOWLEDGEMENT OF OBLIGOR

The OBLIGOR acknowledges and agrees that the above-signed GUARANTOR is providing to the COMMISSION financial assurance to secure the decommissioning and remediation obligation of the OBLIGOR pursuant to North Dakota Century Code Section 49-02-27 and the North Dakota Administrative Code Chapter 69-09-09 (together, the "STATUTE"). The OBLIGOR agrees that the above-signed agreement does not relieve the OBLIGOR from liability or its decommissioning and remediation obligations pursuant to the Decommissioning Plan, the STATUTE, and to the satisfaction of the COMMISSION.

OBLIGOR agrees that upon COMMISSION determination that GUARANTOR's financial assurance is no longer acceptable, OBLIGOR shall provide alternative financial assurance acceptable to the COMMISSION within sixty (60) days.

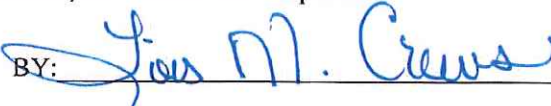
First Authorized Signature:

Signature of President or Authorized Officer	
	
Name TERRELL K. CREWS II	Title: PRESIDENT

State of FLORIDA)
) SS.
 County of PALM BEACH)

The foregoing instrument was acknowledged before me on this date 6/1/2021 by

Terrell K. Crews II of Oliver Wind I, LLC, a Delaware corporation, on behalf of the corporation.

BY: 

NOTARY PUBLIC: 66920693

MY COMMISSION EXPIRES: 11/9/2023



Second Authorized Signature:

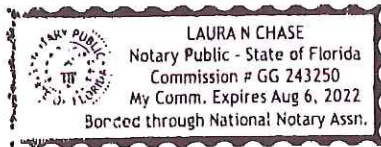
Signature of Chief Financial Officer or Authorized Officer	
Name	Title: VICE PRESIDENT
KATHY A. BEILHART	

State of FLORIDA)
) SS.
 County of PALM BEACH)

The foregoing instrument was acknowledged before me on this date June 2, 2021 by

Kathy A. Beilhart of Oliver Wind I, LLC, a Delaware corporation, on behalf of the corporation.

(SEAL)



BY: Laura N Chase
 NOTARY PUBLIC: Laura N Chase
 MY COMMISSION EXPIRES: Aug 6, 2022



Owner/Obligor FPL ENERGY OLIVER WIND I, LLC	Guarantor NEXTERA ENERGY CAPITAL HOLDINGS, INC.
Financial Assurance Number: 69-09-09-08	Financial Assurance/Guarantee Amount: \$2,970,000

This Parent Guarantee is made by NEXTERA ENERGY CAPITAL HOLDINGS, INC., a corporation organized under the laws of the State of Florida (“**GUARANTOR**”). This absolute and irrevocable guarantee is made on behalf of FPL ENERGY OLIVER WIND I, LLC (“**OWNER**” or “**OBLIGOR**”), which is a subsidiary of Guarantor, for the benefit and in favor of the NORTH DAKOTA PUBLIC SERVICE COMMISSION (“**COMMISSION**”).

RECITALS

1. The COMMISSION has the legal authority under North Dakota Century Code section 49-02-27 to administer the requirements for wind energy conversion facility decommissioning in the State of North Dakota.
2. GUARANTOR’s indirect, wholly-owned subsidiary, OBLIGOR, owns the following Commercial Wind Energy Facility (“Facility”):

Name	FPL Energy Oliver Wind I, LLC
Address	700 Universe Blvd
City, State, Zip	Juno Beach, FL 33408
Site Certificate Number (“Certificate”)	Not Applicable
Project Description	Project is located in Oliver County, North Dakota
Estimated Operation Date	December 19, 2006
Decommissioning Cost Estimate	\$2,970,000

3. GUARANTOR will directly or indirectly benefit from the Facility for which the above site certificate has been issued.
4. The OBLIGOR is required to provide to the COMMISSION financial assurance to secure the decommissioning and remediation obligation of OBLIGOR pursuant to North Dakota Century Code Section 49-02-27 and North Dakota Administrative Code Chapter 69-09-09 (together, the “**STATUTE**”) and GUARANTOR desires to guarantee such obligation.
5. The GUARANTOR satisfies the requirements and criteria set by the North Dakota Administrative Code section 69-09-09-08 to allow for a Parental Guarantee.
6. GUARANTOR has full authority under the laws of the State of Florida, its articles of incorporation and its bylaws to enter into this Guarantee. GUARANTOR has full approval from its Board of Directors to enter into this Guarantee.

7. The GUARANTOR wishes to issue this Guarantee to COMMISSION to satisfy the terms of the STATUTE.
8. It is in the best interests of GUARANTOR, in the legitimate furtherance of its purposes and business, to enter into this Guarantee.

* * *

9. For the good and valuable consideration, GUARANTOR guarantees to the COMMISSION that in the event OBLIGOR fails to perform decommissioning and remediation of the Facility in accordance with the Decommissioning Plan¹, the STATUTE, and to the satisfaction of the COMMISSION, and the GUARANTOR does not substitute performance for the OBLIGOR upon COMMISSION request in accordance with the Decommissioning Plan, the STATUTE, and to the satisfaction of the COMMISSION, the GUARANTOR hereby and irrevocably guarantees timely payment of all obligations owing to the COMMISSION to complete decommissioning and remediation of the site. This Guarantee shall constitute a guarantee of payment and not of collection.
10. GUARANTOR agrees to make prompt payment upon demand of the full amount, or portions thereof, requested by the COMMISSION, of the Parental Guarantee, on the terms and conditions described in this agreement, said payments of monies to be used for the decommissioning and remediation of the above-listed Facility in accordance with the STATUTE.
11. GUARANTOR hereby fully consents to the following, none of which affects, changes or discharges the obligations of this Guarantee:
 - a. Extensions of time for performance of the whole or any part of the conditions of the above listed financial assurance.
 - b. Changes, revisions, modifications, or renewals of the Certificate.
 - c. Renewals, revisions, modifications to the terms of the above-stated financial assurance that have been agreed to by the GUARANTOR and approved by the COMMISSION, including increases or decreases in dollar amount of the guarantee, or the Decommissioning Plan of the Facility for which the above site certificate has been issued in accordance with the STATUTE.
12. GUARANTOR expressly waives the following:
 - a. Notice of the acceptance of this Guarantee by the COMMISSION.
 - b. Notice of changes, revisions, modifications or renewals to the Certificate.
 - c. Notice of any extensions of time for performance of the whole or any part of the condition of the above listed financial assurance.
 - d. With the exception of demand for payment, all other notices to which GUARANTOR might otherwise be entitled in connection with this guarantee or the obligation hereby guaranteed.
 - e. The institution of civil actions or exhaustion of legal remedies against the OBLIGOR as a condition to enforcement of this Guarantee.
 - f. It is understood that any notice provided by the COMMISSION to the GUARANTOR does not constitute a release or modification of the above waivers.

¹ "Decommissioning Plan" means the plans filed and maintained in compliance with North Dakota Administrative Code Title 69 for the decommissioning and remediation of the facility.

This Guarantee is subject to the following conditions:

13. A signed statement that the Commission has ordered the forfeiture, in whole or in part, of the above listed financial assurance must accompany any demand for funds.
14. GUARANTOR agrees to pay all costs and expenses incurred by the COMMISSION in any successful action instituted to enforce the terms of this Guarantee.
15. This Guarantee will be limited as follows:
 - a. Financial Assurance and Guarantee Amount: The indebtedness reflected by the above listed financial assurance and Guarantee Amount existing at the time of forfeiture.
 - b. Litigation and administrative costs: The actual amount of such costs reasonably incurred in any successful effort to enforce requirements and obligations of the OBLIGOR and the obligations of the GUARANTOR under this agreement. Litigation and administrative costs are not limited by indebtedness reflected by the above listed financial assurance.
 - c. The Guarantee and the GUARANTOR's obligations hereunder shall terminate automatically and immediately at **11:59:59 Eastern Prevailing Time December 19, 2051** (the "Termination Date") provided, that, in the event the facility decommissioning and remediation is not complete prior to the Termination Date and the OBLIGOR has not provided an alternative financial assurance reasonably acceptable to the COMMISSION, the GUARANTOR shall post alternative financial assurance acceptable to the COMMISSION sixty (60) days prior to the Termination Date.
 - d. If, within sixty (60) days of Termination Date, the GUARANTOR or COMMISSION dispute the acceptability of an alternative financial assurance or the completion status of decommissioning and remediation, the GUARANTOR shall deposit an amount equal to the Decommission Cost Estimate in a trust account with the Bank of North Dakota as trustee for the benefit of the COMMISSION. The trustee shall make payments from the fund, as the COMMISSION shall direct in writing, to provide for completion of decommissioning and remediation.
16. If the OBLIGOR fails to complete the decommissioning and remediation as required by STATUTE, the terms and conditions of the Certificate, and to the satisfaction of the Commission, the GUARANTOR shall be required to complete decommissioning and remediation for the lands in default or pay the State of North Dakota the amount necessary to complete the Decommissioning Plan, not to exceed the financial assurance amount within ten (10) business days after the receipt of the COMMISSION's demand for payment. GUARANTOR hereby agrees that demands for payment may be based and are payable on projections of costs or their actual accrual and that liability for payment is not contingent on the costs having been presently sustained.
17. The GUARANTOR agrees to notify the COMMISSION by certified mail, of a voluntary or involuntary proceeding under title 11 (Bankruptcy), United States Code, naming GUARANTOR as debtor, within ten days after commencement of the proceeding.
18. GUARANTOR agrees that if, at the end of any fiscal year the GUARANTOR no longer meets the 69-09-09-08 requirements allowing a guarantee, the GUARANTOR shall send within ninety (90) days, by certified mail, written notice to the COMMISSION and to the OBLIGOR. GUARANTOR may not terminate its guarantee until an alternate financial assurance acceptable to the COMMISSION has been established.
19. GUARANTOR agrees that within sixty (60) days after being notified by the COMMISSION of a

determination that GUARANTOR no longer meets the 69-09-09-08 requirements or that the GUARANTOR is disallowed from continuing as a guarantee of decommissioning and remediation, the GUARANTOR shall establish alternative financial assurance acceptable to the COMMISSION in the name of the OBLIGOR unless the OBLIGOR has done so.

20. The GUARANTOR agrees to remain bound under this Guarantee notwithstanding any or all of the following: amendment or modification of the Decommissioning Plan, amendment or modification of the Certificate of Site Compatibility, the extension or reduction of the time of performance after abandonment or end-of-life and/or decommissioning and remediation, or any other modification or alteration of an obligation of the OBLIGOR.
21. The GUARANTOR agrees to remain bound under this Guarantee for as long as the OBLIGOR must comply with the applicable financial assurance requirements of North Dakota Administrative Code title 69 for the above-listed facility, except as provided in paragraph 22 of this agreement.
22. The GUARANTOR may terminate this agreement by sending written notice by certified mail to the COMMISSION and to OBLIGOR at least one hundred and twenty (120) days in advance of the proposed cancellation, provided that this Guarantee may not be terminated unless and until OBLIGOR obtains, and the COMMISSION approves, alternative financial assurance, or the facility decommissioning and remediation is deemed complete by the COMMISSION.
23. The GUARANTOR shall send a written notice by certified mail to the COMMISSION, not less than two years prior to the Termination Date, providing notice of the Termination Date contained herein.
24. This Guarantee is and continues to be effective notwithstanding any present or future legal disability of the OBLIGOR.
25. There are no conditions or limitations to this Guarantee except those contained in this instrument as of the effective date, and thereafter no alteration, change or modification hereof shall be binding or effective unless executed in writing, signed by the GUARANTOR, and approved by the COMMISSION.
26. This Guarantee is good and effective notwithstanding any change or changes in the business name of the OBLIGOR or GUARANTOR.
27. This Guarantee is binding upon GUARANTOR and its successors and permitted assigns, and inures to the benefit of and is enforceable by the Commission and its successors and permitted assigns. GUARANTOR may not assign this Guarantee in part or in whole without prior written consent of the Commission.
28. No changes, revisions, modifications or renewals to the above listed Financial Assurance or the Certificate act as a release of the GUARANTOR from this Guarantee unless approved by the COMMISSION.
29. In the case of insolvency, bankruptcy or dissolution of the OBLIGOR, all funds represented by the above listed financial assurance are due and payable and this Guarantee may thereupon be enforced.
30. All notices required to, or which may be given, are effective when received by the addressees specified below:

a. For the Guarantor:

NextEra Energy Capital Holdings, Inc.
700 Universe Blvd.
Juno Beach, Florida 33408
Attention: Treasurer

b. For the Commission

Executive Secretary
North Dakota Public Service Commission
State Capitol, 12th Floor
600 E. Boulevard, Dept. 408
Bismarck, ND 58505-0480

31. This Guarantee is a binding contract and must be construed under and is subject to the laws of the State of North Dakota. Any action arising out of this Guarantee or the subject matter hereof must be adjudicated exclusively in the state District Court of Burleigh County, North Dakota. GUARANTOR agrees to the exclusive jurisdiction of such court and waives any claim of lack of jurisdiction or *forum non conveniens*, or that this Guarantee or the subject matter hereof may not be enforced in or by such court.
32. This agreement may be executed in any number of identical counterparts, each of which, when executed and delivered by the GUARANTOR hereto, is considered to be an original, but all of which shall constitute one and the same instrument.
33. The effective date of this agreement is the date of Commission approval.
34. Other

35. The COMMISSSION hereby agrees that this Guarantee supersedes and replaces that certain Guarantee executed by GUARANTOR in favor of the COMMISSION dated _____ (the "Prior Guarantee") attached as Exhibit A, and such Prior Guarantee and any of GUARANTOR'S obligations thereunder are hereby deemed null and void.

SIGNATURES OF GUARANTOR:

First Authorized Signature:

Signature of President or Authorized Officer <i>Paul I. Cutler</i>	
Name Paul I. Cutler Treasurer	Title

State of Florida)
 County of Palm Beach) SS.

The foregoing instrument was acknowledged before me on this date JUNE 12, 2020 by
PAUL CUTLER and ALDO PORTALES
 of NEXTERA ENERGY CAPITAL HOLDINGS, INC. a FLORIDA
 corporation, on behalf of the corporation.

BY: *Lisa R. Taube*


NOTARY PUBLIC: _____

MY COMMISSION EXPIRES: _____

(SEAL)



Second Authorized Signature:

Signature of Chief Financial Officer or Authorized Officer 	
Name Aldo E. Portales Assistant Treasurer	Title

State of Florida)
 County of Palm Beach) SS.

The foregoing instrument was acknowledged before me on this date JUNE 12, 2020 by
ALDO PORTALES and PAUL COTNER
 of NESTERA ENERGY CAPITAL HOLDINGS, INC. a FLORIDA
 corporation, on behalf of the corporation.

BY: 
 NOTARY PUBLIC: _____
 MY COMMISSION EXPIRES: _____

(SEAL)

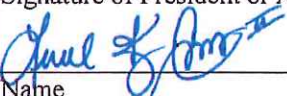


ACKNOWLEDGEMENT OF OBLIGOR

The OBLIGOR acknowledges and agrees that the above-signed GUARANTOR is providing to the COMMISSION financial assurance to secure the decommissioning and remediation obligation of the OBLIGOR pursuant to North Dakota Century Code Section 49-02-27 and the North Dakota Administrative Code Chapter 69-09-09 (together, the "STATUTE"). The OBLIGOR agrees that the above-signed agreement does not relieve the OBLIGOR from liability or its decommissioning and remediation obligations pursuant to the Decommissioning Plan, the STATUTE, and to the satisfaction of the COMMISSION.

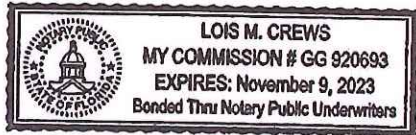
OBLIGOR agrees that upon COMMISSION determination that GUARANTOR's financial assurance is no longer acceptable, OBLIGOR shall provide alternative financial assurance acceptable to the COMMISSION within sixty (60) days.

First Authorized Signature:


Signature of President or Authorized Officer 	
Name TERRELL K. CREWS II	Title: PRESIDENT

State of FLORIDA)
) SS.
County of PALM BEACH)

The foregoing instrument was acknowledged before me on this date 6/22/2020 by
Terrell K. Crews II and _____
of Wilton Wind Energy I, LLC, a Delaware
corporation, on behalf of the corporation.



(SEAL)

BY: 
NOTARY PUBLIC: Lois M Crews
MY COMMISSION EXPIRES: 11/9/2023

Second Authorized Signature:

Signature of Chief Financial Officer or Authorized Officer	
Name	Title: VICE PRESIDENT
MATTHEW S. HANDEL	

State of FLORIDA)
) SS.
 County of PALM BEACH)

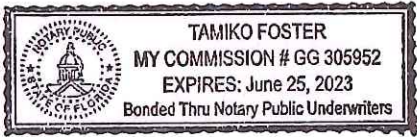
The foregoing instrument was acknowledged before me on this date 6/22/2020 by
Matthew S. Handel and _____
 of Wilton Wind Energy I, LLC, a Delaware
 corporation, on behalf of the corporation.

BY: [Signature]

NOTARY PUBLIC: TAMIKO FOSTER

MY COMMISSION EXPIRES: 6/25/23

(SEAL)



NextEra Energy, Inc. and NextEra Energy Capital Holdings, Inc.

On Oct. 9, 2020, Fitch Ratings affirmed NextEra Energy, Inc.'s Long-Term Issuer Default Rating (IDR) at 'A-'. Fitch also affirmed the IDRs of NextEra's subsidiaries, Florida Power & Light Co. (FPL) at 'A'/F1', Gulf Power Company at 'A'/F1' and NextEra Energy Capital Holdings, Inc. at 'A-'/F2'. NextEra provides a full guarantee of Capital Holdings' debt and hybrids. Capital Holdings is the intermediate holding company that owns NextEra's nonregulated businesses. The Rating Outlook is Stable for all entities.

NextEra's ratings and Stable Outlook reflect ownership of two highly rated electric utility subsidiaries, which benefit from the constructive regulatory environment in Florida, and its strong competitive position as the largest renewable generation company in the U.S. Significant rate base growth at FPL, combined with regulated M&A, has outpaced the strong growth in nonregulated renewable operations, thereby tilting the business risk favorably toward an approximately 70%/30% regulated/nonregulated mix. Fitch expects NextEra's consolidated FFO leverage, including nonrecourse debt, to be approximately 4.5x over 2020-2022.

Key Rating Drivers

No Material Impact from Coronavirus: Fitch does not expect coronavirus to have a material impact on NextEra's operations and access to capital. Given its strong competitive position in renewables, NextEra enjoys significant clout with its supply chain vendors and tax equity investors, leading to minimal disruptions to its operations and large construction program. A vast majority of NextEra's wind and solar portfolio is under long-term power purchase agreements (PPAs) with minimal volumetric risk. NextEra's PPAs counterparties are typically highly creditworthy, consisting of regulated utilities and public power entities and only a small proportion is corporates.

At its utility operations, Fitch expects growth in the higher margin residential segment due to work-from-home policies to offset in part the impact from lower commercial sales. FPL derives approximately 60% of its MWh sales from residential customers, 38% from commercial and 2% from industrial. Gulf Power derives approximately 50% of its retail MWh sales from residential customers, 35% from commercial and 15% from industrial. A large military presence in Gulf Power's service territory, which currently represents approximately 39% of the total industrial sector sales, also provides stability against sales decline. The uncollectible expenses could rise, but should remain manageable. In the 2008-2009 financial crisis, Fitch estimates the uncollectibles as a percentage of revenues were approximately 0.2% and 0.1% for FPL and Gulf Power, respectively.

Continued Pivot to Regulated and Contracted Assets: NextEra's continued shift from merchant businesses toward regulated investments and contracted nonregulated renewable assets is supportive of its credit profile. Driving the favorable shift in cash flow mix are base rate increases at FPL following a constructive 2016 rate order, modernization plan at Gulf Power, planned investments in regulated solar generation projects, and the continued growth in contracted, nonregulated solar and wind investments. Fitch expects the proportion of regulated EBITDA in the overall business mix to be approximately 70%. Within the nonregulated businesses, management's emphasis remains on long-term contracted renewable generation.

Ratings

Rating Type	Rating	Outlook	Last Rating Action
Long-Term IDR	A-	Stable	Review - No Action Oct. 15, 2020
Short-Term IDR	F2		Review - No Action Oct. 15, 2020
Long-Term Junior Subordinated	BBB		Review - No Action Oct. 15, 2020
Long-Term Senior Unsecured	A-		Review - No Action Oct. 15, 2020
Short-Term Senior Unsecured	F2		Review - No Action Oct. 15, 2020

[Click here for full list of ratings](#)

Applicable Criteria

- [Corporate Rating Criteria \(December 2020\)](#)
- [Parent and Subsidiary Linkage Rating Criteria \(August 2020\)](#)
- [Short-Term Ratings Criteria \(March 2020\)](#)
- [Corporates Notching and Recovery Ratings Criteria \(October 2019\)](#)

Related Research

- [Fitch Affirms Ratings for NextEra, FPL and Gulf Power; Outlook Stable \(October 2020\)](#)

Analysts

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Fitch expects the adjusted EBITDA contribution from both regulated and contracted businesses at NextEra to be approximately 90% over the next few years.

Leading Position in Renewables: Fitch considers NextEra to be strongly positioned to take advantage of the energy transition underway in the U.S., where technological developments and falling costs of wind, solar and battery storage have accelerated the shift in power generation mix away from fossil fuels. The company currently has more than 15 gigawatts (GW) of renewables backlog, which is the largest backlog in its development history and includes approximately 7.4GW of contracts for delivery beyond 2020. NextEra demonstrated strong origination in the first nine months of 2020 adding 4.7GW to its backlog. The recent extension of Production Tax Credits for wind projects that begin construction in 2020 at a rate of 60% is expected to support continued wind development until 2024. Accelerating trends in deployment of battery storage and pairing of batteries with intermittent renewables to offer a firm product open up additional growth opportunities.

Gulf Power Transformation: Fitch views management's ongoing efforts to modernize Gulf Power's generation fleet and lower operating costs as a positive. Earlier this year, Fitch upgraded Gulf Power's Long-Term IDR to 'A' from 'A-' and Short-Term IDR to 'F1' from 'F2', reflecting better than expected financial performance of the company driven by reduction in operating expenses that is tracking ahead of plan. In addition, NextEra injected \$700 million of equity into Gulf Power in the first half of this year, which has strengthened Gulf Power's capital structure and made it less reliant on debt to fund its ongoing modernization plan.

Management is taking steps to merge Gulf Power with FPL with a target effective date of Jan. 1, 2021. Management plans to file a combined rate case filing in 2021 for new rates to be effective Jan. 1, 2022.

Resilient Credit Metrics: On a fully consolidated basis (including nonrecourse project debt), Fitch expects NextEra's FFO leverage to approximate 4.5x and FFO fixed-charge coverage to approximate 6.0x over 2020-2022. Credit metrics in 2023 should benefit from conversion of \$4.5 billion equity units that were issued in 2020. The investors in equity units are obligated to purchase stock at the end of three years. Fitch does not allocate any equity credit to the underlying debentures issued to collateralize the investor's forward stock purchase obligation.

Parent Subsidiary Linkage: Fitch considers rating linkages between NextEra and its subsidiaries, FPL and Gulf Power to be weak to moderate. Legal ties are considered weak due to the absence of guarantees and cross-default provisions. Other weak linkage considerations include an authorized regulatory capital structure provision, a maximum debt-to-capitalization ratio in debt indentures, and access to own utility financing that provide some level of ring-fencing around FPL and Gulf Power. However, operational and strategic ties are expected to be strong. Gulf Power's reliance on parent equity infusions to support a heavy capex program over the forecast period supports the weak to moderate rating linkage.

Fitch has applied a bottom-up approach in rating FPL and Gulf Power. Fitch considers FPL and Gulf Power to be stronger entities than their parent due to low business risk nature of regulated operations, strength of their regulatory environment, and stronger credit metrics and leverage. Fitch has applied a consolidated approach to rate NextEra. Fitch would generally limit the notching between NextEra and its regulated subsidiaries to one to two notches.

NextEra and Capital Holdings' IDRs are the same due to strong legal rating linkages. NextEra guarantees all debt at Capital Holdings.

Financial Summary

(\$ Mil., as of Dec. 31)	2016	2017	2018	2019	LTM Sept. 2020
Gross Revenue	16,081	17,121	16,653	19,128	18,152
Operating EBITDAR	7,600	8,540	8,330	9,493	9,175
Cash Flow from Operations	6,273	7,845	6,575	8,305	8,724
Capital Intensity (Capex/Revenue) (%)	59.9	62.7	78.1	64.3	66.5
Total Debt with Equity Credit	29,650	33,539	36,224	40,645	46,370
FFO Fixed-Charge Coverage (x)	6.2	6.6	6.4	4.2	4.8
FFO Leverage (x)	4.0	3.9	4.2	4.0	4.3
Total Debt with Equity Credit/ Operating EBITDA (x)	3.9	3.9	4.4	4.1	4.9

Source: Fitch Ratings, Fitch Solutions.

Rating Derivation Relative to Peers

NextEra compares favorably with its peer parent holding companies, Southern Company (BBB+/Stable), Sempra Energy (BBB+/Stable) and Dominion Energy, Inc. (BBB+/Stable) given its ownership of a strong regulated utility in Florida, dominant position in contracted renewable business and superior credit metrics, offset by a smaller proportion of regulated utility operations in the overall business mix. NextEra's proportion of consolidated EBITDA generated from regulated utility subsidiaries is approximately 70%, which is less favorable compared with Southern (80%), Sempra (80% pro forma for Cameron completion) and Dominion (85%-90%). NextEra's projected FFO leverage metrics at 4.5x are stronger than the projected metrics for Southern (5.0x) and Dominion (4.8x), and comparable with those of Sempra (4.5x).

Some of NextEra's peers face project execution risk due to the construction of large projects, which include the Cameron liquefied natural gas project at Sempra and Vogtle Units 3 and 4 nuclear units at Southern. NextEra is also facing headwinds to its Mountain Valley Pipeline project, but this project is relatively less material for NextEra. NextEra's ownership interest in NextEra Energy Partners (NEP) adds to complexity in organizational structure that its peers do not have.

Rating Sensitivities

Factors That Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- Positive rating actions for NextEra appear unlikely at this time.

Factors That Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- FFO leverage above 4.5x on a sustainable basis;
- Any deterioration in credit measures that result from higher use of leverage, outsized return of capital to shareholders or leveraged M&A;
- An aggressive acquisition or financial strategy at NEP, rising conflict of interest between NextEra and NEP, or predominantly shareholder focused use of proceeds from the sale of assets to NEP;
- A change in strategy to invest in noncontracted renewable/pipeline/electric transmission assets, more speculative assets or a lower proportion of cash flow under long-term contracts;
- Any change in current regulatory policies at the Florida Public Service Commission and/or any weakness in the current business climate in Florida;

- Changes in tax rules that reduce NextEra’s ability to monetize its accumulated production tax credits, investment tax credits and accumulated tax losses carried forward.

Liquidity and Debt Structure

Strong Liquidity: On a consolidated basis, NextEra had \$14.4 billion of net available liquidity as of Sept. 30, 2020, excluding limited recourse or nonrecourse project financing arrangements. Similar to other Tier 2 CP issuers, NextEra’s access to the CP markets was sporadic earlier this year due to coronavirus concerns. The company continues to have strong access to the capital markets and banks for both corporate credit and project finance.

ESG Considerations

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of ‘3’. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity.

For more information on Fitch’s ESG Relevance Scores, visit www.fitchratings.com/esg.

Liquidity and Debt Maturity with No Refinancing

Liquidity Analysis

(\$ Mil.)	12/31/19	9/30/20
Total Cash and Cash Equivalents	1,108	1,961
Short-Term Investments	–	–
Less: Not Readily Available Cash and Cash Equivalents	508	0
Fitch-Defined Readily Available Cash and Cash Equivalents	600	1,961
Availability Under Committed Lines of Credit	7,871	12,450
Total Liquidity	8,471	14,411
LTM EBITDA After Associates and Minorities	9,892	9,547
LTM FCF	(6,400)	(6,009)

Source: Fitch Ratings, Fitch Solutions, NextEra Energy, Inc.

Scheduled Long-Term Debt Maturities

(\$ Mil.)	9/30/20
2020	68
2021	5,600
2022	3,231
2023	3,461
2024	3,530
Thereafter	32,802
Total	48,691

Note: May not add due to rounding.

Source: Fitch Ratings, Fitch Solutions, NextEra Energy, Inc.

Key Assumptions

Fitch's Key Assumptions Within the Rating Case for the Issuer Include

- Annual retail sales growth of 0.5% at FPL over 2020–2022;
- Rate increases for FPL as per 2016 rate order and retention of tax savings over 2020–2021;
- Constructive outcome in the 2021 rate case at FPL that preserves ROE at the current authorized levels;
- O&M and other expenses growth at FPL relatively flat from 2020 to 2022;
- Capex at regulated utilities and Capital Holdings of approximately \$53 billion over 2020–2022 split approximately 50/50 between the two businesses;
- Renewable projects growth toward the middle of management's forecasts;
- Balanced funding mix at FPL and reliance on project debt and tax equity at Capital Holdings;
- Limited commodity exposure based on existing hedge position;
- At Gulf Power, sales growth of 0.5% p.a., capex of \$2.6 billion over 2020–2022 funded in a balanced manner, rate changes reflecting the last rate order and tax-reform settlement, and a significant reduction in corporate overhead and O&M expenses over 2019–2020.

Financial Data

(\$ Mil., as of Dec. 31)	Historical		
	2017	2018	2019
Summary Income Statement			
Gross Revenue	17,121	16,653	19,128
Revenue Growth (%)	6.5	(2.7)	14.9
Operating EBITDA (Before Income from Associates)	8,540	8,316	9,454
Operating EBITDA Margin (%)	49.9	49.9	49.4
Operating EBITDAR	8,540	8,330	9,493
Operating EBITDAR Margin (%)	49.9	50.0	49.6
Operating EBIT	5,977	4,239	5,050
Operating EBIT Margin (%)	34.9	25.5	26.4
Gross Interest Expense	(1,664)	(1,608)	(2,401)
Pretax Income (Including Associate Income/Loss)	4,667	7,352	3,836
Summary Balance Sheet			
Readily Available Cash and Equivalents	1,714	638	600
Total Debt with Equity Credit	33,539	36,224	40,645
Total Adjusted Debt with Equity Credit	33,539	36,335	40,961
Net Debt	31,825	35,586	40,045
Summary Cash Flow Statement			
Operating EBITDA	8,540	8,316	9,454
Cash Interest Paid	(1,298)	(1,323)	(2,401)
Cash Tax	(142)	(200)	(184)
Dividends Received Less Dividends Paid to Minorities (Inflow/[Out]flow)	0	0	438
Other Items Before FFO	250	475	605
Funds Flow from Operations	7,350	7,268	7,911
FFO Margin (%)	42.9	43.6	41.4
Change in Working Capital	495	(693)	394
Cash Flow from Operations (Fitch Defined)	7,845	6,575	8,305
Total Non-Operating/Nonrecurring Cash Flow	0	0	0
Capex	(10,740)	(13,004)	(12,297)
Capital Intensity (Capex/Revenue) (%)	62.7	78.1	64.3
Common Dividends	(1,845)	(2,101)	(2,408)
FCF	(4,740)	(8,530)	(6,400)
Net Acquisitions and Divestitures	1,632	1,617	(4,002)
Other Investing and Financing Cash Flow Items	(514)	(2,450)	5,242
Net Debt Proceeds	3,441	7,569	3,628
Net Equity Proceeds	603	718	1,494
Total Change in Cash	422	(1,076)	(38)
Leverage Ratios (x)			
Total Net Debt with Equity Credit/Operating EBITDA	3.7	4.3	4.0
Total Adjusted Debt/Operating EBITDAR	3.9	4.4	4.1
Total Adjusted Net Debt/Operating EBITDAR	3.7	4.3	4.1
Total Debt with Equity Credit/Operating EBITDA	3.9	4.4	4.1
FFO-Adjusted Leverage	3.9	4.2	4.0
FFO-Adjusted Net Leverage	3.7	4.2	3.9
FFO Leverage	3.9	4.2	4.0

(\$ Mil., as of Dec. 31)	Historical		
	2017	2018	2019
FFO Net Leverage	3.7	4.2	3.9
Calculations for Forecast Publication			
Capex, Dividends, Acquisitions and Other Items Before FCF	(10,953)	(13,488)	(18,707)
FCF After Acquisitions and Divestitures	(3,108)	(6,913)	(10,402)
FCF Margin (After Net Acquisitions) (%)	(18.2)	(41.5)	(54.4)
Coverage Ratios (x)			
FFO Interest Coverage	6.6	6.5	4.3
FFO Fixed-Charge Coverage	6.6	6.4	4.2
Operating EBITDAR/Interest Paid + Rents	6.6	6.2	4.1
Operating EBITDA/Interest Paid	6.6	6.3	4.1
Additional Metrics (%)			
CFO – Capex/Total Debt with Equity Credit	(8.6)	(17.7)	(9.8)
CFO – Capex/Total Net Debt with Equity Credit	(9.1)	(18.1)	(10.0)

CFO – Cash flow from operations. F – Forecast.
Source: Fitch Ratings, Fitch Solutions.

Ratings Navigator

FitchRatings

NextEra Energy, Inc.

ESG Relevance:



Corporates Ratings Navigator
US Utilities

Factor Levels	Sector Risk Profile	Operating Environment	Business Profile				Financial Profile			Issuer Default Rating
			Management and Corporate Governance	Regulation	Market and Franchise	Asset Base and Operations	Commodity Exposure	Profitability	Financial Structure	
aaa										AAA
aa+										AA+
aa										AA
aa-										AA-
a+										A+
a										A
a-										A-
bbb+										BBB+
bbb										BBB
bbb-										BBB-
bb+										BB+
bb										BB
bb-										BB-
b+										B+
b										B
b-										B-
ccc+										CCC+
ccc										CCC
ccc-										CCC-
cc										CC
c										C
d or rd										D or RD

Bar Chart Legend:		
Vertical Bars = Range of Rating Factor		Bar Arrows = Rating Factor Outlook
Bar Colors = Relative Importance		↑↓
■	Higher Importance	↑↓
■	Average Importance	↑↓
■	Lower Importance	□
		Positive
		Negative
		Evolving
		Stable

Operating Environment

aa+	Economic Environment	aa	Very strong combination of countries where economic value is created and where assets are located.
aa	Financial Access	aa	Very strong combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
b-	Systemic Governance	aa	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'aa'.
ccc+			

Regulation

a+	Degree of Transparency and Predictability	bbb	Generally transparent and predictable regulation with limited political interference.
a	Timeliness of Cost Recovery	a	Minimal lag to recover capital and operating costs.
a-	Trend in Authorized ROEs	a	Above-average authorized ROE.
bbb+	Mechanisms Available to Stabilize Cash Flows	bbb	Revenues partially insulated from variability in consumption.
bbb	Mechanisms Supportive of Creditworthiness	n.a.	

Asset Base and Operations

a+	Diversity of Assets	a	High-quality and/or large-scale diversified assets.
a	Operations Reliability and Cost Competitiveness	a	Track record of reliable, low-cost operations.
a-	Exposure to Environmental Regulations	a	No exposure to environmental regulations.
bbb+	Capital and Technological Intensity of Capex	bbb	Moderate reinvestments requirements in established technologies.
bbb			

Profitability

a-	Free Cash Flow	bbb	Structurally neutral to negative FCF across the investment cycle.
bbb+	Volatility of Profitability	bbb	Stability and predictability of profits in line with utility peers.
bbb			
bbb-			
bb+			

Financial Flexibility

a+	Financial Discipline	bbb	Less conservative policy, but generally applied consistently.
a	Liquidity		Very comfortable liquidity. Well-spread maturity schedule of debt. Diversified sources of funding.
a-	FFO Interest Coverage	5.0x	
bbb+			
bbb			

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

Management and Corporate Governance

a+	Management Strategy	bbb	Strategy may include opportunistic elements but soundly implemented.
a	Governance Structure	a	Experienced board exercising effective check and balances. Ownership can be concentrated among several shareholders.
a-	Group Structure	a	Group structure shows some complexity but mitigated by transparent reporting.
bbb+	Financial Transparency	a	High quality and timely financial reporting.
bbb			

Market and Franchise

aa-	Market Structure	bbb	Established market structure but some level of uncertainty in price-setting mechanisms.
a+	Consumption Growth Trend	a	Economically vibrant market or service territory with strong sales growth.
a	Customer Mix	a	Favorable customer mix.
a-	Geographic Location	a	Favorable location or high geographic diversity.
bbb+	Supply Demand Dynamics	a	Beneficial outlook for prices/rates.

Commodity Exposure

a-	Ability to Pass Through Changes in Fuel	bbb	Limited exposure to changes in commodity costs.
bbb+	Underlying Supply Mx	bbb	Low variable costs and moderate flexibility of supply.
bbb	Hedging Strategy	bbb	Long-term supply and sales contracts with creditworthy counterparties.
bbb-			
bb+			

Financial Structure

a+	FFO Leverage	bbb	5.0x
a	Total Debt With Equity CreditOp. EBITDA	bbb	3.75x
a-			
bbb+			
bbb			

Credit-Relevant ESG Derivation

NextEra Energy, Inc. has 12 ESG potential rating drivers				Overall ESG
key driver	0	issues	5	
driver	0	issues	4	
potential driver	12	issues	3	
not a rating driver	2	issues	2	
not a rating driver	0	issues	1	

Showing top 6 issues

For further details on Credit-Relevant ESG scoring, see page 3.

Credit-Relevant ESG Derivation

NextEra Energy, Inc. has 12 ESG potential rating drivers

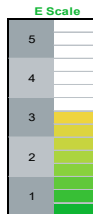
- NextEra Energy, Inc. has exposure to emissions regulatory risk but this has very low impact on the rating.
- NextEra Energy, Inc. has exposure to energy productivity risk but this has very low impact on the rating.
- NextEra Energy, Inc. has exposure to waste & impact management risk but this has very low impact on the rating.
- NextEra Energy, Inc. has exposure to extreme weather events but this has very low impact on the rating.
- NextEra Energy, Inc. has exposure to access/affordability risk but this has very low impact on the rating.
- NextEra Energy, Inc. has exposure to customer accountability risk but this has very low impact on the rating.

Showing top 6 issues

				Overall ESG Scale	
key driver	0	issues	5		
driver	0	issues	4		
potential driver	12	issues	3		
not a rating driver	2	issues	2		
	0	issues	1		

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference
GHG Emissions & Air Quality	3	Emissions from operations	Asset Base and Operations; Commodity Exposure; Regulation; Profitability
Energy Management	3	Fuel use to generate energy and serve load	Asset Base and Operations; Commodity Exposure; Profitability
Water & Wastewater Management	2	Water used by hydro plants or by other generation plants, also effluent management	Asset Base and Operations; Regulation; Profitability
Waste & Hazardous Materials Management; Ecological Impacts	3	Impact of waste from operations	Asset Base and Operations; Regulation; Profitability
Exposure to Environmental Impacts	3	Plants' and networks' exposure to extreme weather	Asset Base and Operations; Regulation; Profitability



How to Read This Page

ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

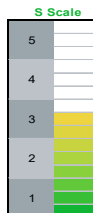
The **Environmental (E), Social (S) and Governance (G)** tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The **Credit-Relevant ESG Derivation table** shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies the some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI) and the Sustainability Accounting Standards Board(SASB).

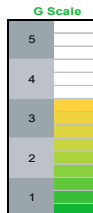
Social (S)

General Issues	S Score	Sector-Specific Issues	Reference
Human Rights, Community Relations, Access & Affordability	3	Product affordability and access	Asset Base and Operations; Regulation; Profitability; Financial Structure
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Quality and safety of products and services; data security	Regulation; Profitability
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction	Asset Base and Operations; Profitability
Employee Wellbeing	2	Worker safety and accident prevention	Profitability; Asset Base and Operations
Exposure to Social Impacts	3	Social resistance to major projects that leads to delays and cost increases	Asset Base and Operations; Profitability



Governance (G)

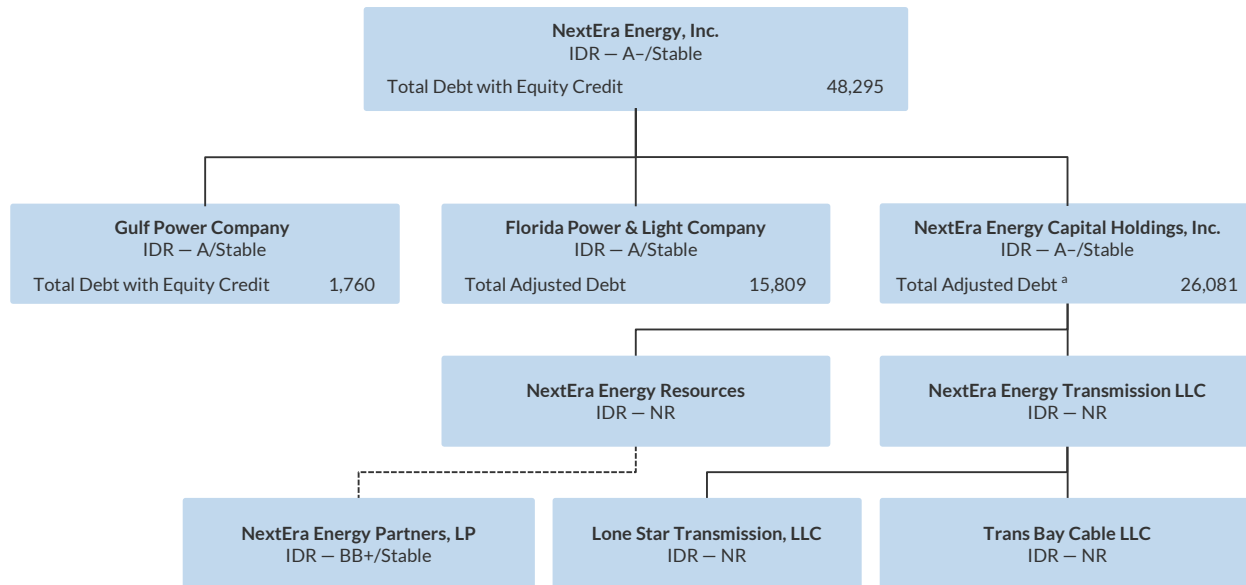
General Issues	G Score	Sector-Specific Issues	Reference
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance



CREDIT-RELEVANT ESG SCALE	
How relevant are E, S and G issues to the overall credit rating?	
5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "low or" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Simplified Group Structure Diagram

Organizational Structure — NextEra Energy, Inc.
(\$ Mil., as of Sept. 30, 2020)



^a50% equity credit at NextEra Energy Capital Holdings for junior subordinated debt. Note: Fitch does not consolidate NextEra Energy Partners (similar to the accounting treatment that NextEra Energy follows). As a result, NextEra Energy Partners debt is not included in NextEra Energy total debt. IDR – Issuer Default Rating. NR – Not rated. Source: Fitch Ratings, Fitch Solutions, NextEra Energy, Inc.

Peer Financial Summary

Company	Issuer Default Rating	Financial Statement Date	Gross Revenue (\$ Mil.)	Funds Flow From Operations (\$ Mil.)	FFO Fixed-Charge Coverage (x)	FFO Leverage (x)	Total Debt with Equity Credit/Operating EBITDA (x)
NextEra Energy, Inc.	A-						
	A-	2019	19,128	8,066	4.2	4.0	4.1
	A-	2018	16,653	7,268	6.4	4.2	4.4
	A-	2017	17,121	7,350	6.6	3.9	3.9
Dominion Energy, Inc.	BBB+						
	BBB+	2019	16,572	5,678	4.1	5.3	5.7
	BBB+	2018	13,366	5,097	4.2	5.2	5.8
	BBB+	2017	12,586	4,795	4.5	6.0	5.7
Sempra Energy	BBB+						
	BBB+	2019	10,829	3,197	3.0	5.7	6.0
	BBB+	2018	11,687	3,280	3.8	5.8	6.1
	BBB+	2017	11,207	3,398	5.1	4.6	5.0
The Southern Company	BBB+						
	BBB+	2019	21,419	5,335	3.8	6.4	5.3
	BBB+	2018	23,495	6,516	4.1	5.4	6.0
	A-	2017	23,031	7,225	4.7	5.5	5.3

Source: Fitch Ratings, Fitch Solutions.

Fitch Adjusted Financials

(\$ Mil., as of Dec. 31, 2019)	Notes and Formulas	Reported Values	Sum of Adjustments	Cash Adjustment	Hybrid Adjustment	Fair Value and Other Debt Adjustments	CORP-Lease Treatment	Other Adjustments	Adjusted Values
Income Statement Summary									
Revenue		19,204	(76)					(76)	19,128
Operating EBITDAR		9,532	(39)				37	(76)	9,493
Operating EBITDAR After Associates and Minorities	(a)	9,970	(39)				37	(76)	9,931
Operating Lease Expense	(b)	0	40				40		40
Operating EBITDA	(c)	9,532	(78)				(2)	(76)	9,454
Operating EBITDA After Associates and Minorities	(d) = (a-b)	9,970	(78)				(2)	(76)	9,892
Operating EBIT	(e)	5,054	(4)				(2)	(2)	5,050
Debt and Cash Summary									
Total Debt with Equity Credit	(f)	42,966	(2,322)		2,322	(383)		(4,260)	40,645
Lease-Equivalent Debt	(g)	0	316				316		316
Other Off-Balance-Sheet Debt	(h)	0							0
Total Adjusted Debt with Equity Credit	(i) = (f+g+h)	42,966	(2,005)		2,322	(383)	316	(4,260)	40,961
Readily Available Cash and Equivalents	(j)	600							600
Not Readily Available Cash and Equivalents		0	508	508					508
Cash Flow Summary									
Operating EBITDA After Associates and Minorities	(d) = (a-b)	9,970	(78)				(2)	(76)	9,892
Preferred Dividends (Paid)	(k)	0							0
Interest Received	(l)	54							54
Interest (Paid)	(m)	(1,799)	(602)				2	(605)	(2,401)
Cash Tax (Paid)		(184)							(184)
Other Items Before FFO		(125)	831				(10)	840	706
Funds from Operations (FFO)	(n)	7,916	150				(10)	160	8,066
Change in Working Capital (Fitch-Defined)		239							239
Cash Flow from Operations (CFO)	(o)	8,155	150				(10)	160	8,305
Non-Operating/Nonrecurring Cash Flow		0							0
Capital (Expenditures)	(p)	(12,297)							(12,297)
Common Dividends (Paid)		(2,408)							(2,408)
Free Cash Flow (FCF)		(6,550)	150				(10)	160	(6,400)
Gross Leverage (x)									
Total Adjusted Debt/Operating EBITDAR ^a	(i/a)	4.3							4.1
FFO Adjusted Leverage	(i)/(n-m-l-k+b)	4.4							3.9
FFO Leverage	(i-g)/(n-m-l-k)	4.4							3.9
Total Debt with Equity Credit/Operating EBITDA ^a	(i-g)/d	4.3							4.1
(CFO-Capex)/Total Debt with Equity Credit (%)	(o+p)/(i-g)	(9.6)							(9.8)
Net Leverage (x)									
Total Adjusted Net Debt/Operating EBITDAR ^a	(i-j)/a	4.2							4.1
FFO Adjusted Net Leverage	(i-j)/(n-m-l-k+b)	4.4							3.9
FFO Net Leverage	(i-g-j)/(n-m-l-k)	4.4							3.8
Total Net Debt with Equity Credit/Operating EBITDA ^a	(i-g-j)/d	4.2							4.0
(CFO-Capex)/Total Net Debt with Equity Credit (%)	(o+p)/(i-g-j)	(9.8)							(10.0)
Coverage (x)									

(\$ Mil., as of Dec. 31, 2019)	Notes and Formulas	Reported Values	Sum of Adjustments	Cash Adjustment	Hybrid Adjustment	Fair Value and Other Debt Adjustments	CORP - Lease Treatment	Other Adjustments	Adjusted Values
Operating EBITDA/ (Interest Paid + Lease Expense) ^a	a/(-m+b)	5.5							4.1
Operating EBITDA/Interest Paid ^a	d/(-m)	5.5							4.1
FFO Fixed-Charge Coverage	(n-l-m-k+b)/ (-m-k+b)	5.4							4.3
FFO Interest Coverage	(n-l-m-k)/ (-m-k)	5.4							4.3

^aEBITDA/R after dividends to associates and minorities.
Source: Fitch Ratings, Fitch Solutions, NextEra Energy, Inc.

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RatingsDirect®

Research Update:

NextEra Energy Inc. Ratings Affirmed On Acquisition Of Gulf Power; Outlook Remains Stable

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Research Update:

NextEra Energy Inc. Ratings Affirmed On Acquisition Of Gulf Power; Outlook Remains Stable

Rating Action Overview

- NextEra Energy Inc. (NEE) completed its debt-financed acquisition of Gulf Power Co., which increases the EBITDA contribution from its lower-risk regulated utility businesses.
- On Jan. 3, 2019, S&P Global Ratings affirmed its ratings on NEE, including the 'A-' issuer credit rating. The outlook is stable.
- At the same time, we revised our assessment of the company's business risk profile upward to the low end of the excellent business risk profile category. Previously, we assessed the business risk profile in the strong category.
- Our ratings on Gulf Power, including the 'A-' issuer credit rating and stable outlook, are unchanged.
- The stable rating outlook on NEE incorporates our view that the company will continue to reduce risk at its competitive businesses by strategically growing through contracted assets and that its regulated utility business will consistently reflect about 70% of consolidated EBITDA. Because of the fully debt-financed Gulf Power acquisition, we expect that consolidated financial measures will weaken and reflect funds from operations (FFO) to debt of 21%-24%.

Rating Action Rationale

Our affirmation of the ratings and stable outlook on NextEra reflects our expectations for a modest improvement in the business risk profile, offset by a modest weakening in financial measures. We expect that NextEra's EBITDA contribution from its lower-risk regulated utilities businesses will consistently reflect about 70% of consolidated EBITDA. This compares with our prior expectation that the regulated utility businesses would account for about two-thirds of consolidated EBITDA. Furthermore, we think that the company will continue to reduce the risks of its competitive businesses by growing through lower-risk, long-term contracted assets. Because of these improvements, we revised upward our assessment of the company's business risk profile to excellent from strong. However, we assess the company at the very low end of the range for this category, incorporating the company's other higher-risk businesses. These include nuclear merchant generation, proprietary trading, retail supply and wholesale full-requirements contracts, and natural gas exploration and production businesses. These activities account for more

than 10% of consolidated EBITDA and have significant liquidity needs, low margins, and require diligent risk management and hedging against fluctuating commodity prices. To account for these risks, we assess the comparable ratings analysis modifier as negative.

We assess NextEra's financial measures using our medial volatility table because the majority of the company's operating cash flows are from its lower-risk regulated utilities and reflecting its generally effective management of regulatory risk in Florida.

We expect a weakening in NextEra's 2019 financial measures, in part due to the all debt-financed acquisition of Gulf Power. FFO to debt for year-end 2017 and for the rolling-12-months ended September 2018 was about 25% and we expect year-end 2018 to be about 28%. However, we expect NextEra's financial measures to weaken in 2019 reflecting the Gulf Power fully debt-financed acquisition, robust capital spending at more than \$10 billion, and dividends of more than \$2 billion. Specifically, we expect FFO to debt to weaken to 21%-24% and to remain at this level as NextEra continues to grow its core businesses.

We assess Gulf Power as a core subsidiary of NEE. This reflects our view that Gulf Power is highly unlikely to be sold, is integral to the overall group strategy, and has a strong long-term commitment from senior management. As a result, we assess the issuer credit rating on Gulf Power as in line with NEE's 'a-' group credit profile.

Outlook

The stable rating outlook incorporates our view that the company will remain focused on growing its regulated utility businesses and will continue to reduce risk at its competitive businesses by strategically growing through contracted assets. We expect NEE's regulated utility business will consistently reflect about 70% of consolidated EBITDA. Because of the fully debt-financed nature of the Gulf Power transaction, we expect that consolidated financial measures will weaken, reflecting FFO to debt at 21%-24%.

Downside scenario

We could lower the rating over the next 24 months if the company's effective management of regulatory risk weakens or if the lower-risk regulated utility businesses account for less than 70% of consolidated EBITDA. We could also lower the ratings if FFO to debt consistently weakens to below 21%. This could occur if the company unexpectedly increases debt leverage to support more aggressive growth, shareholder rewards, or another debt-financed large acquisition.

Upside scenario

We could raise the rating over the next 24 months if financial measures consistently reflect the middle of the range for the financial risk profile category, reflecting FFO to debt consistently greater than 26%. This could occur if the company reduces reliance on debt leverage or decides to finance a future large acquisition or capital project with mostly equity.

Company Description

NextEra is a very large company that primarily consists of lower-risk regulated utilities (about 70% of EBITDA), competitive generation (about 20% of EBITDA), proprietary trading (about 5% of EBITDA), and natural gas exploration and production (about 5% of EBITDA). The company's utilities serve more than 5.5 million customers primarily in the state of Florida and has more than 27,000 MW of electric generation of which about 70% is from natural gas. NextEra has continued to reduce the risks of its competitive generation by increasing its reliance on long-term contracted assets with high-quality credit counterparties.

Liquidity

NEE has adequate liquidity, in our view, and can more than cover its needs for the next 12 months even if EBITDA declines by 10%. We expect the company's liquidity sources over the next 12 months will exceed uses by more than 1.1x, the minimum threshold for this liquidity assessment under our criteria. Under our stress scenario, we do not expect the company to require access to the capital markets during that period to meet liquidity needs. In addition, NEE has sound relationships with banks and satisfactory standing in the credit markets. It could absorb a high-impact, low-probability event with limited need for refinancing.

Principal liquidity sources:

- FFO of about \$7 billion;
- Credit facility availability of about \$8 billion; and
- Cash on hand of about \$500 million.

Principal liquidity uses:

- Long-term debt maturities of about \$2.2 billion in 2019;
- Maintenance annual capital spending of about \$8 billion; and,
- Annual dividends of more than \$2 billion.

Issue Ratings - Subordination Risk Analysis

Capital structure

- NEE's capital structure consists of about \$38 billion total debt of which about \$13.7 billion is outstanding at NextEra Energy Capital Holdings Inc. (NEECH), about \$13.3 billion is outstanding at FPL, about \$7 billion of non-recourse debt is outstanding at project subsidiaries of NextEra Energy Resources LLC, and about \$1.4 billion is outstanding at Gulf Power.

Analytical conclusions

- The hybrid equity units at NEE are rated two notches below the issuer credit rating, one notch for deferability and one notch for subordination.
- The unsecured debt at NEECH, guaranteed by NEE, is rated one notch below the issuer credit rating because it ranks behind significant debt issued by subsidiaries in the capital structure.
- Junior subordinated notes and hybrid equity units at NEECH are rated two notches below the issuer credit rating, one notch for deferability and one notch for subordination.
- Secured debt at FPL benefits from a first-priority lien on substantially all of the utility's real property owned or subsequently acquired. Collateral provides coverage of more than 1.5x, supporting a '1+' recovery rating and an issue-level rating one notch above the issuer credit rating.
- Unsecured debt at FPL is rated the same as the issuer credit rating because it is a qualifying investment-grade regulated utility.
- The commercial paper program at both NEECH and FPL is rated 'A-2', consistent with the issuer credit ratings.

Ratings Score Snapshot

Issuer Credit Rating: A-/Stable/--

Business risk: Excellent

- Country risk: Very low
- Industry risk: Low
- Competitive position: Excellent

Financial risk: Intermediate

- Cash flow/Leverage: Intermediate

Anchor: a

Modifiers

- Diversification/Portfolio effect: Neutral (no impact)
- Capital structure: Neutral (no impact)
- Liquidity: Adequate (no impact)
- Financial policy: Neutral (no impact)
- Management and governance: Satisfactory (no impact)
- Comparable ratings analysis: Negative (-1 notch)

Stand-alone credit profile: a-

- Group credit profile: a-

Related Criteria

- Criteria - Corporates - General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings , April 7, 2017
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria - Corporates - Industrials: Key Credit Factors For The Unregulated Power And Gas Industry, March 28, 2014
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- Criteria - Corporates - Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Criteria - Corporates - Utilities: Collateral Coverage And Issue Notching Rules For '1+' And '1' Recovery Ratings On Senior Bonds Secured By Utility Real Property, Feb. 14, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Insurance - General: Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008

Ratings List

Ratings Affirmed

NextEra Energy Inc.	
Issuer Credit Rating	A-/Stable/--
Florida Power & Light Co.	
NextEra Energy Capital Holdings Inc.	
Issuer Credit Rating	A-/Stable/A-2
NextEra Energy Inc.	
Senior Unsecured	BBB
Florida Power & Light Co.	
Senior Secured	A
Recovery Rating	1+
Senior Unsecured	A-
Preferred Stock	BBB
Commercial Paper	A-2
NextEra Energy Capital Holdings Inc.	
Senior Unsecured	BBB+
Senior Unsecured	BBB
Junior Subordinated	BBB
Commercial Paper	A-2

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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CREDIT OPINION

30 July 2021

Update

 Rate this Research

RATINGS

NextEra Energy, Inc.

Domicile	Juno Beach, Florida, United States
Long Term Rating	Baa1
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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NextEra Energy, Inc.

Update following rating affirmation

Summary

NextEra Energy, Inc.'s (NEE) credit profile reflects its industry leading positions in the regulated utility and renewable energy sectors as well as its solid financial profile. Its principal utility subsidiary, Florida Power and Light Company (FPL), is the foundation of NEE's credit quality and is one of the largest and financially strongest regulated electric utilities in the US. FPL, including Gulf Power Company, accounts for roughly 70% of NEE's consolidated EBITDA and is the majority of NEE's regulated businesses, which make up about 74% of NEE's consolidated EBITDA. Most of NEE's remaining EBITDA is generated by NextEra Energy Resources LLC (NEER), which holds the largest private portfolio of renewable power projects in North America. NEER is the principal subsidiary of NextEra Energy Capital Holdings, Inc. (NEECH), an intermediate holding company of NEE and the principal debt financing vehicle for NEE's businesses outside the Florida utility. NEER also owns a majority 57.2% stake in NextEra Energy Partners, LP (NEP), a yieldco that acquires, manages and owns long-term contracted clean energy projects and gas pipelines with stable cash flow.

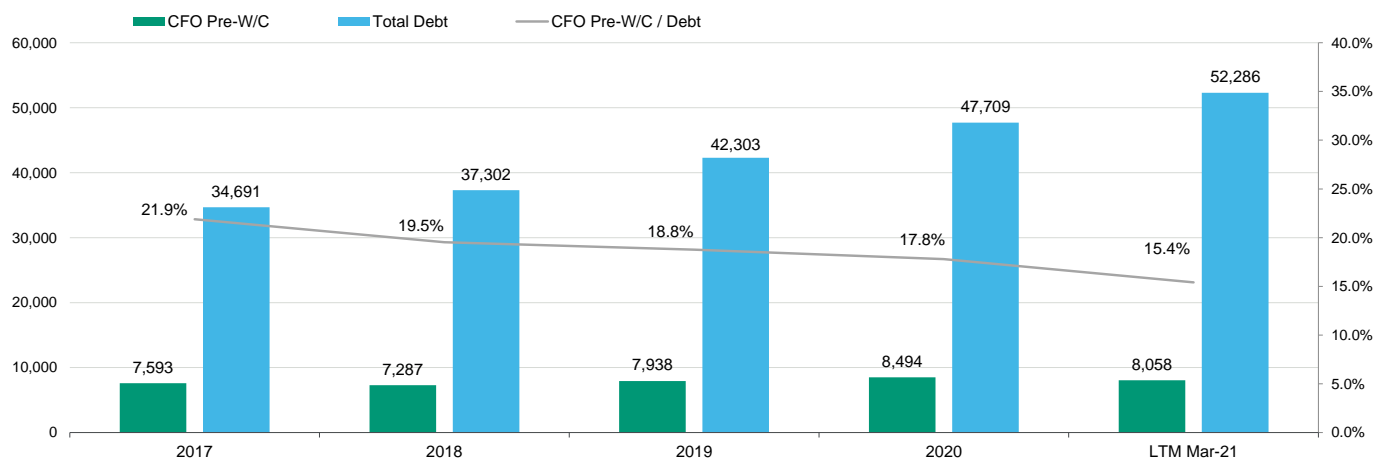
NEE's credit quality also considers the company's solid financial profile. For the 12-months ended 31 March 2021, NEE's consolidated ratio of cash flow from operations pre-working capital changes (CFO pre-W/C) to debt was 15.4%, which was lower than historical levels. The lower credit metric is mainly attributed to substantial debt issuances in the first quarter to pre-fund upcoming debt maturities as well as significant capital investments planned for the balance of the year. Going forward, we expect NEE's consolidated ratio of CFO pre-W/C to debt to be in the 17% - 19% range over the next few years.

NEE's credit is constrained by an elevated level of holding company debt, approximately 53% of consolidated debt, which includes the proportional consolidation of NEP's debt (roughly 49% of consolidated debt when allocating some parent debt to certain unlevered operating assets). NEE's percentage of holding company debt is one of the highest levels amongst regulated utility holding company peers. NEE is also exposed to extreme weather events such as hurricanes and tropical storms that periodically hit FPL's service territory, however the Florida regulatory and legislative environments have a history of credit supportiveness during and in the aftermath of such events.

Recent developments

On 1 January 2021, Gulf Power legally merged into FPL after the Federal Energy Regulatory Commission (FERC) approved their merger application on 15 October 2020. With the completed merger, Gulf Power no longer exists as a separate organization and FPL continues as the surviving entity. FPL assumed all of Gulf Power's short and long-term debt obligations, liabilities and physical assets.

Exhibit 1

Historical CFO Pre-W/C, Total Debt and ratio of CFO Pre-W/C to Debt (\$ MM)

Source: Moody's Financial Metrics

Credit strengths

- » Large size and leading position in the regulated utility and renewable energy sectors
- » FPL's strong credit quality is the foundation of NEE's credit profile
- » Continued focus on growing regulated assets and reducing uncontracted merchant exposure strengthens business risk profile
- » NEER, a leading player in the renewable energy sector, has a higher risk profile that is mitigated by long-term power contracts largely with investment grade counterparties
- » Solid consolidated financial profile expected to remain stable

Credit challenges

- » Holding company debt percentage is one of the highest in the sector, constraining the ratings of the corporate family
- » Financial metrics are lower compared to historical levels
- » Large annual negative free cash flow balances continue at NEECH due to ongoing significant investment activities require capital market debt financing
- » Geographic concentration in Florida with high risk of storm events
- » Aggressive acquisition appetite in pursuit of primarily regulated assets; however limited number of executed deals
- » Project execution risk remains at NEER as it continues investing heavily through an elevated construction cycle

Rating outlook

NEE's stable outlook reflects our expectation that FPL, including Gulf Power, will continue to operate within a highly credit supportive Florida regulatory environment, including a constructive outcome of its pending joint rate case proceeding later this year; that NEE's renewable asset portfolio will maintain its steady performance; that major construction projects will remain on time and within budget; and that the company will continue to have strong access to the capital markets. The stable outlook reflects our expectations that NEE will maintain a consistent financial profile including a ratio of CFO pre-W/C to debt above 17% and CFO pre-W/C less dividends to

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debt above 12%. The stable outlook also incorporates our view that any M&A activity, if executed, will be financed in a manner that maintains a financial profile that supports current credit quality.

Factors that could lead to an upgrade

An upgrade of NEE is unlikely in the near future due to the high percentage of holding company debt, significant capital project investments, single state concentration of its principal utility exposed to extreme weather events, and the company's aggressive M&A appetite. Longer term, NEE could be upgraded if there is substantial debt reduction at NEECH such that the percentage of holding company debt declines substantially as a percentage of total debt and consolidated financial metrics improve such that NEE's ratio of CFO pre-W/C to debt is sustained above 22%.

Factors that could lead to a downgrade

NEE could be downgraded if we expect its ratio of CFO pre-W/C to debt will be below 17% for an extended period. NEE could also be downgraded if the regulatory environment deteriorates in Florida, such that there is an adverse outcome of FPL's pending rate case or delays in cost recovery; or there are adverse tax or environmental policy developments that negatively affect NEER's renewable energy business. A downgrade could occur if NEE's business risk profile deteriorates meaningfully or if its holding company level debt increases from current levels. A downgrade of FPL could lead to a downgrade of NEE, due to the importance of the utility to the parent.

Key indicators

Exhibit 2

NextEra Energy, Inc.[1]

	Dec-17	Dec-18	Dec-19	Dec-20	LTM Mar-21
CFO Pre-W/C + Interest / Interest	5.7x	5.7x	4.4x	5.1x	11.2x
CFO Pre-W/C / Debt	21.9%	19.5%	18.8%	17.8%	15.4%
CFO Pre-W/C – Dividends / Debt	16.2%	13.8%	12.9%	12.0%	10.0%
Debt / Capitalization	49.3%	44.9%	45.4%	47.0%	48.9%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

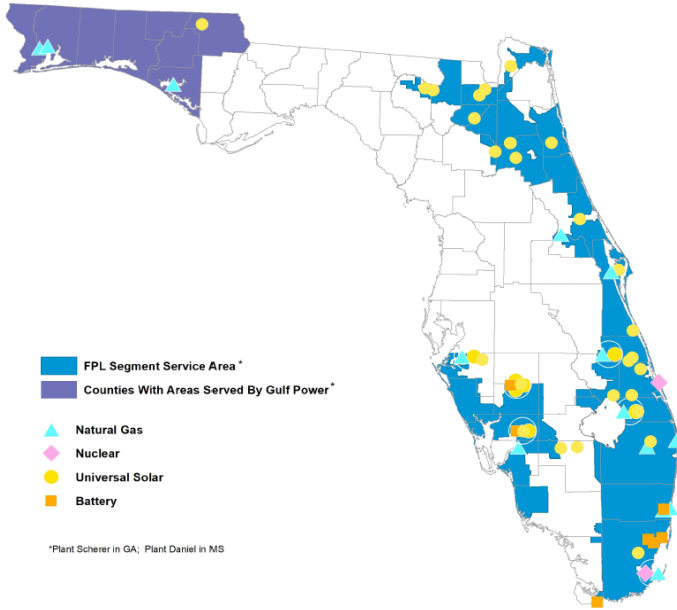
Source: Moody's Financial Metrics

Profile

Headquartered in Juno Beach, Florida, NextEra Energy, Inc. is one of the largest holding companies in our global regulated utility rated universe. NEE's principal operating utility, Florida Power & Light Company (FPL, A1 stable) is one of the largest vertically integrated regulated utilities in the US and, combined with Gulf Power, serves 5.6 million customer accounts or more than 11 million residents across more than half of the state of Florida. FPL accounts for about 70% of NEE's consolidated EBITDA. Before Gulf Power was legally merged into FPL on 1 January 2021, NEE acquired Gulf Power from The Southern Company (Southern, Baa2 stable) in January 2019 for approximately \$5.75 billion, which included \$4.35 billion in cash plus the assumption of approximately \$1.4 billion of debt.

NEE is also the holding company of NextEra Energy Capital Holdings, Inc. (NEECH, Baa1 stable), which is the principal debt financing vehicle for the businesses outside of the Florida utility and an intermediate holding company of NextEra Energy Resources (NEER, unrated). NEER is an intermediate holding company for NEE's independent power projects as well as its ownership interests in natural gas pipelines, and through a subsidiary also has majority ownership interest (currently 57.2%) in the yieldco NextEra Energy Partners, LP (NEP, Ba1 stable). NEER's other subsidiaries include NextEra Energy Transmission (NEET, unrated), which holds FERC regulated electric transmission assets. NEE has no debt of its own but provides an unconditional guarantee of debt that resides at NEECH.

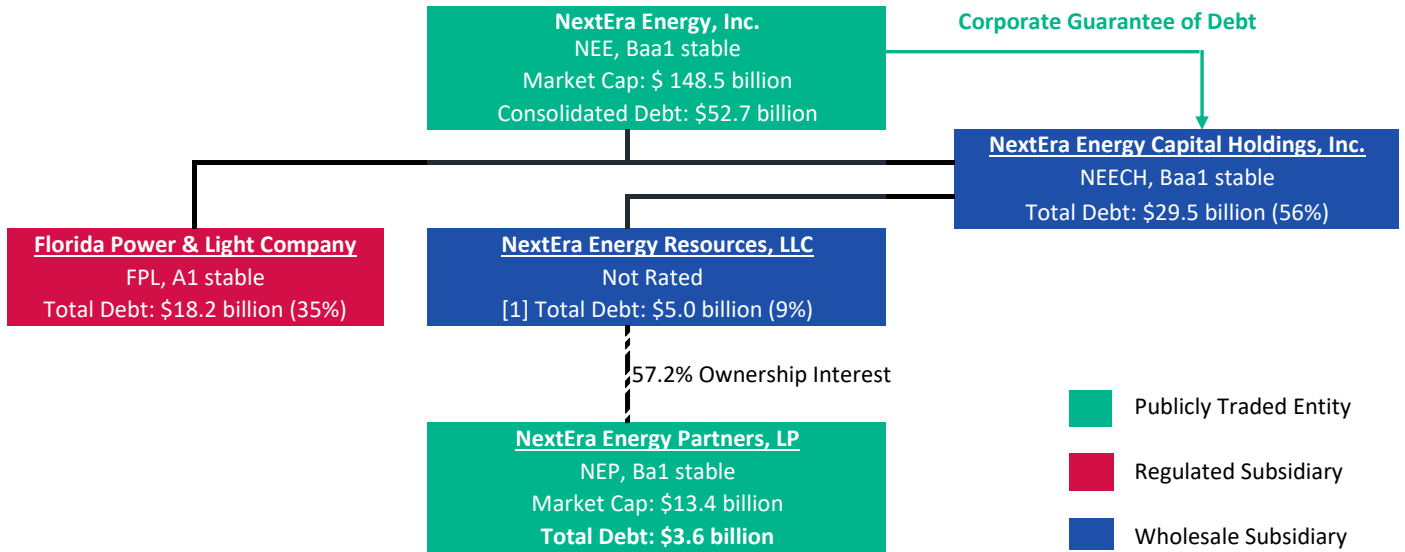
Exhibit 3
Map of NEE's regulated utility service area



Source: Company presentations

Detailed credit considerations

Exhibit 4
Organizational Chart
Debt amounts as reported



[1] Includes Lone Star Transmission Debt
Note: As of 31 March 2021; NEE Market Capitalization as of 14 July 2021; Gulf Power was legally merged into FPL on 1 January 2021 and is included in the FPL entity box.
Source: Company Filings, Company Website

FPL'S strong credit quality is the foundation of NEE's credit profile

FPL is NEE's principal subsidiary and "crown jewel" as one of the financially strongest regulated electric utilities in the US, forming the foundation of NEE's credit quality. At the same time, FPL's geographic concentration in Florida exposes NEE to the state's economic cycles, weather events such as severe storms, and any significant changes to the political and regulatory environment. A rarity amongst

US regulated electric utilities, FPL's growing population within its service territory generates organic sales and load growth, as well as new investment opportunities that provide steady rate base expansion with earnings and cash flow growth potential.

FPL's 12 March 2021 joint rate case filing, which includes Gulf Power, proposes a four-year rate plan that will effectively merge the retail rates of both utilities beginning in January 2022. The proposed rate plan includes a \$1.1 billion increase in base annual revenue requirements effective January 2022, and a subsequent \$607 million increase in January 2023. The filing requests the use of a Solar Base Rate Adjustment (SoBRA) mechanism to increase base rates for the addition of up to 894 MW of solar projects in 2024 and 894 MW in 2025. The base rate adjustments in 2024 and 2025 would be approximately \$140 million each year if the full amount of new solar capacity allowed under the proposed SoBRA mechanism is constructed. The rate case filing also includes FPL's current cost recovery mechanisms including the continuation of its storm cost recovery mechanism and reserve amortization mechanism from its 2016 rate settlement.

The regulatory environment for investor-owned utilities in Florida remains highly credit supportive. In its last several proceedings, FPL has been able to achieve multi-year rate settlements which provide a high degree of rate certainty and have supported the company's credit quality including timely recovery of rate base investments including generation as well as grid hardening to combat extreme weather events, addressed the impacts of federal tax reform and storm restoration costs.

FPL's last rate case order was in November 2016, which approved an agreed upon settlement with key parties, and demonstrated Florida's stable and credit supportive regulatory environment. The settlement, based on a forward test year, became effective on 1 January 2017 and provided revenue visibility over its four-year term (a total of \$811 million in rate increases) through 2020; extended later through 2021. The rate order included an authorized ROE range of 9.6% to 11.6% with a midpoint of 10.55% based on an equity ratio that FPL has consistently maintained at about 60%. The company has been able to achieve earned ROE's towards the upper end of its authorized ROE range through strong customer and sales growth as well as continued improvements in operating efficiency.

FPL earns the vast majority of its net income through its base rates but the various clauses provide for adequate and timely cost recovery and returns on certain other investments. The company has experienced very little in disallowances and regulatory lag in cost recovery. For example, its fuel and capacity clauses are adjusted annually based on expected fuel and purchased power prices and for prior period differences between projected and actual costs. FPL may also recover pre-construction costs and carrying charges for construction work-in-progress for nuclear capital expenditures. Additionally, FPL has an environmental cost recovery clause that is adjusted annually for capital spending and operating expenses related to emission controls.

The 2016 rate settlement retained the cost recovery mechanisms that have allowed FPL to produce consistently above-average credit metrics. An example includes storm cost recovery provisions, which are important in Florida where hurricanes are prevalent. A SoBRA mechanism was included in the settlement order, which provides FPL the ability to increase base rates on a timely basis without a rate case for the addition of new solar generation assets. The revenue rate adjustment mechanism is similar to the Generation Base Rate Adjustment that allows for timely recovery of generation rate base investments like FPL's approximately \$900 million Dania Beach power generation facility modernization project that is currently underway and is expected to be in service in 2022.

While Gulf Power ceased being a distinct corporate entity at the time of the merger, the company will continue to provide service to customers in its service territory in northwest Florida under the pre-existing Gulf Power brand during 2021, as a separate operating division with separate retail and wholesale rates. Beginning in 2022, once the new combined retail rates go into effect as proposed in the joint rate case filing, Gulf Power's customers would be served by a consolidated FPL. Over the long term, we expect Gulf Power's customer rates will benefit from being a part of the much larger combined entity that has a large customer base, greater scale and from improved operational, regulatory and administrative efficiencies.

Credit support from Florida's regulatory framework during severe storms is critical to credit quality

Since utilities in Florida are vulnerable to storm and hurricane activity, regulatory treatment to address costs related to extreme weather events has also been an important factor supporting FPL's credit quality during storm affected years. The company can and has petitioned for recovery of storm damage costs in excess of its storm reserve that would be collected through a storm surcharge. Securitization legislation for the recovery of storm-related costs is also in place in Florida, if necessary.

In late June 2019, the governor of Florida signed into law Senate Bill 796, which requires investor-owned utilities (IOUs) to submit storm protection plans to the FPSC that detail how the IOUs will harden their grids and make them more resilient during extreme weather events like hurricanes. The law is credit positive for the state's utilities because it allows them to grow rate base through increased investments and obtain timely recovery of these investments, all in an effort to ensure customer reliability.

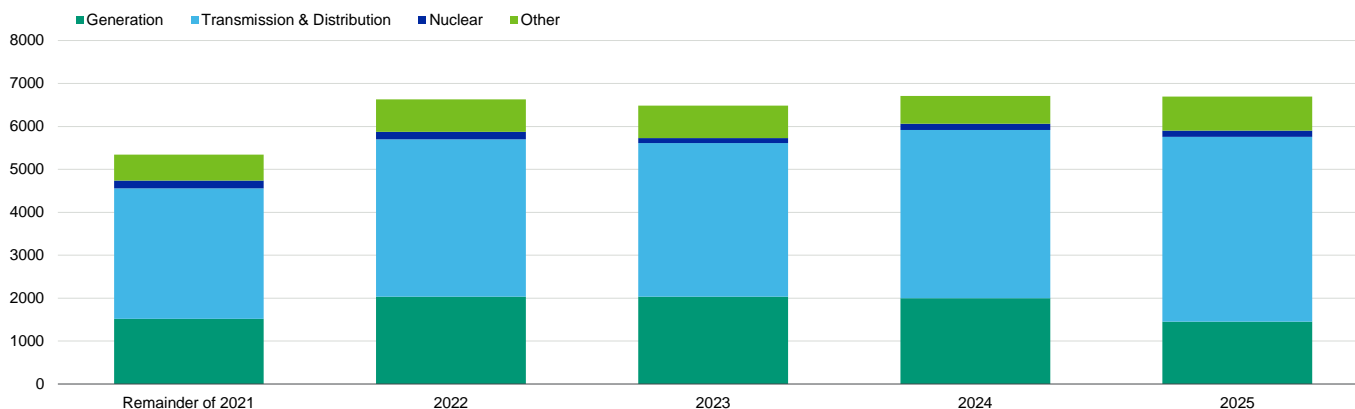
In October 2019, the FPSC issued a rule to implement a Storm Protection Plan (SPP) Cost Recovery Clause. This new mechanism allows for recovery of new transmission and distribution storm hardening investments not already included in base rates. This is a sign that Florida regulators support proactive management of physical risks arising from climate change, which is expected to cause storms to be more frequent and more powerful over the long term.

In April 2020, FPL submitted its storm protection plan proposing to spend about \$10.2 billion to upgrade its grid infrastructure from 2020-2029, which included about \$5.1 billion for undergrounding power lines. FPL expects to spend approximately \$3-4 billion in transmission and distribution storm hardening investments from 2020 - 2022 and obtain timely recovery through the SPP recovery mechanism.

FPL expects to invest approximately \$33.4 billion of new capital from 2021 - 2025. About two-thirds of the \$6-\$7 billion of capex that FPL plans to spend annually over the next few years will be used towards updating its transmission and distribution network including grid hardening and reliability investments. About 15% of the projected spending is earmarked towards modernizing its existing generation portfolio by increasing its cleaner, more fuel-efficient power generation. Almost 15% of the investments will go towards new generation capacity which will include natural gas as well as solar power.

Exhibit 5

FPL's elevated capital expenditures will continue to grow rate base and cash flows
(\$ millions)



Source: Company Filings

Holding company leverage remains elevated and constrains the credit profile of the entire corporate family

We estimate NEE's holdco debt as a percentage of consolidated debt to be currently about 53%, including the proportional consolidation of its ownership in NEP. However, when allocating some parent debt to certain unlevered assets, NEE's holdco debt percentage would be roughly 49% of consolidated debt. NEE's percentage of holding company debt is one of the highest within the regulated utility sector, and is a constraint on the credit quality of the entire corporate family. The holding company debt includes \$6 billion of debentures related to equity units issued in 2019 and 2020. These securities cause the issuance of equity in three years and proceeds are typically used to pay off holding company debt. When taking a forward looking view on the conversion of these equity units and assuming the company pays off debt with the proceeds as it has done historically with previous equity units, NEE's holdco debt would fall to approximately 41% of consolidated debt. We expect NEE's percentage of holding company debt to gradually decline over time.

NEE's holding company leverage temporarily increased with the January 2019 acquisition of Gulf Power, which it acquired from Southern for approximately \$5.75 billion, including \$4.35 billion in cash plus the assumption of approximately \$1.4 billion of Gulf

Power debt. The Gulf Power acquisition was the final and largest component of the transaction between NEE and Southern originally announced in May 2018. NEE also acquired a small natural gas local distribution company, Florida City Gas Company (unrated), and two contracted gas-fired merchant power plants in Florida for a total purchase price of \$6.5 billion. The acquisition of Gulf Power, Florida City Gas and the contracted merchant power plants modestly added to NEE's business diversity while also increasing NEE's already large regulated utility operations, although concentrated, in the highly credit supportive Florida regulatory environment. Although relatively modest, the acquisition was consistent with management's stated strategy to pursue rate regulated assets to add to NEE's regulated businesses and strengthen its business risk profile.

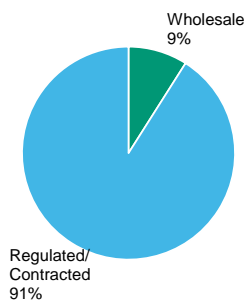
Since the Gulf Power acquisition, NEE has continued to pursue utility acquisitions. NEE was one of 9 bidders for the Jacksonville Electric Authority (JEA, Aa3 stable), which has since terminated the bid process for the sale of its electric and water/wastewater assets. In addition, NEE was one of a select list of bidders for the South Carolina Public Service Authority (Santee Cooper, A2 stable), which is in the midst of a potential sale of its assets. However, NEE withdrew its bid and pursuit of Santee Cooper earlier this year.

NEER has a higher risk profile, although mitigated by long term contracts, and maintains strong growth potential

NEER, which accounts for about 25% of NEE's EBITDA, continues to increase the contracted portion, currently about 85%, of its large portfolio of renewable assets and expects to be about 90% by 2022. At the same time, NEE's regulated and contracted assets combined to account for about 91% of adjusted EBITDA in 2020.

Exhibit 6

NextEra's 2020 business mix based on adjusted EBITDA



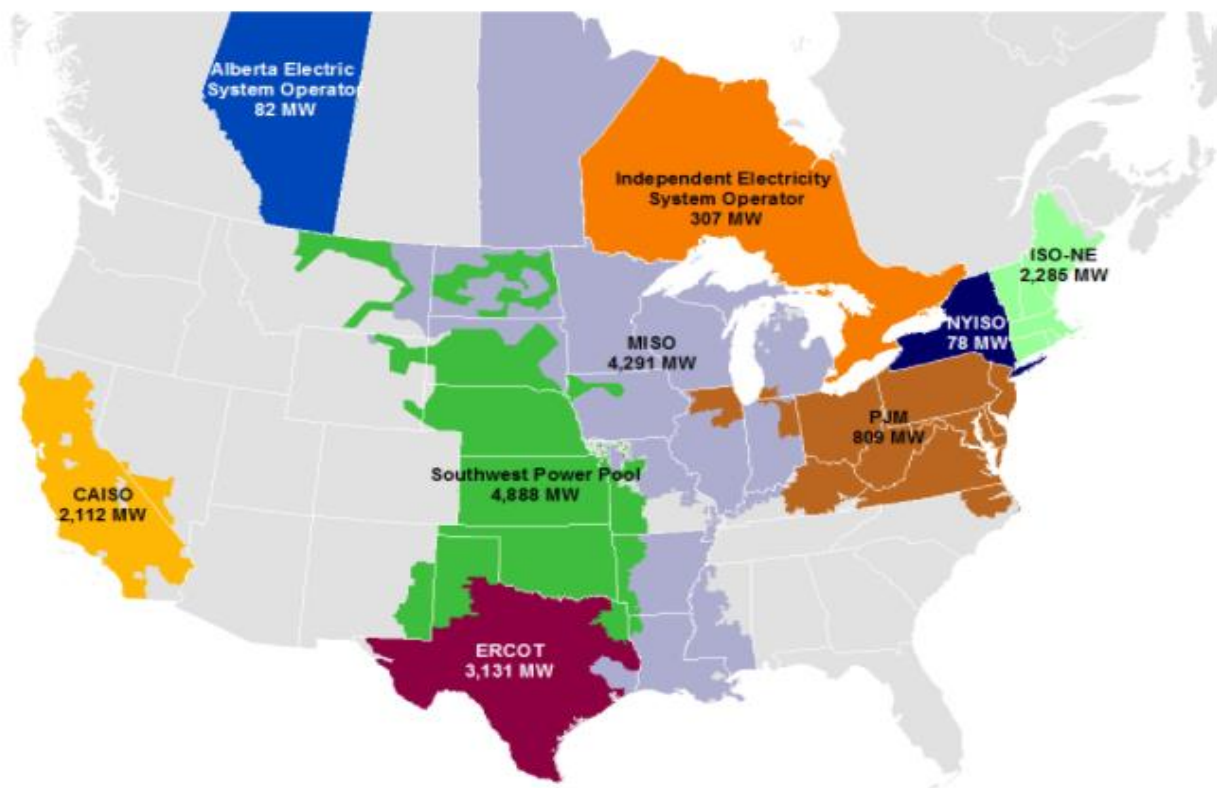
Regulated assets include FPL, FERC regulated transmission assets and pipelines.

Source: Company Presentations

NEER has a large, diverse portfolio of generation assets, and is the largest owner of wind and solar generation in North America. Strong demand for renewable energy provides NEER with growth opportunities to sell renewable power under long-term contracts, primarily to investment grade utilities that are attracted to the declining prices of renewable power and seeking to satisfy environmental mandates as well as meet customer preferences. The long term revenue visibility from the contracted assets that are predominantly renewables, which entail no fuel risk or commodity price exposure, is in contrast to the typically higher risk associated with unregulated power companies that are exposed to wholesale merchant power sales and challenged coal and nuclear plants. Although NEER continues to invest heavily in development and project execution risk remains, NEER has a strong track record of completing projects on time and within budget.

Exhibit 7

NEER generation capacity by region



Source: Company filings

In late December 2020, the federal government passed a second stimulus package in response to the coronavirus pandemic. Among other things, the legislation extended tax credits related to solar and wind investment projects. The production tax credit (PTC) and investment tax credit (ITC) for onshore wind was extended one year to 2021 at 60% of the project's full value, the solar ITC at 26% was extended two years through 2025 while offshore wind projects were given a 30% ITC for projects through 31 December 2025. The new law followed previous legislation passed in December 2019 in which the federal government extended onshore and offshore wind tax credits.

Although many utilities have met or are close to meeting their near-term renewable portfolio standards, utilities continue to increase their carbon reduction goals longer term. In addition, it appears that this presidential administration has a greater focus on reducing US carbon emissions and will continue to support renewable growth. At the same time, NEER continues its efforts to contract with large high creditworthy corporations to further diversify its customer base. The extension of tax credits for both wind and solar, continuous technological improvements and reduced costs, as well as overall strong renewable demand, should continue to be a positive for NEER's future business growth.

NEER's cash flow continues to increase as new generation capacity is constructed and long-term contracts are added. NEER generally manages the construction of renewable projects to make the most of the federal tax credits available. The company's capital expenditures remain elevated largely due to continued high demand for renewables. NEER has grown its renewable capacity from approximately 16 GW in 2016 to almost 20 GW in 2020.

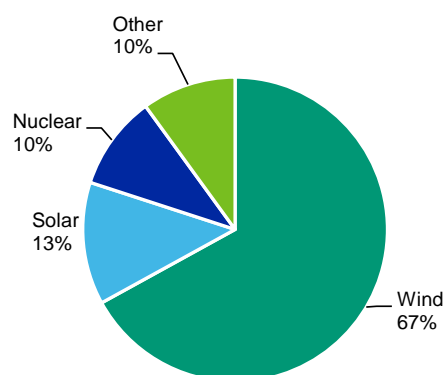
Exhibit 8

**NEER development program
(MW)**

	2019-2020 in Service	2021-2022 Signed Contracts	2021-2022 Expectations	2023-2024 Signed Contracts	2023-2024 Expectations	2021-2024 Expectations
Wind	3,805	4,060	3,700 - 4,400	601	2,250 - 3,500	5,950 - 7,900
Solar	1,466	3,948	4,800 - 5,600	3,570	7,000 - 8,800	11,800 - 14,400
Energy Storage	20	1,361	1,650 - 2,000	1,343	2,700 - 4,300	4,350 - 6,300
Wind Repowering	2,611	409	375 - 700	-	200 - 700	575 - 1,400
Total	7,902	9,778	10,525 - 12,700	5,514	12,150 - 17,300	22,675 - 30,000
Build-Own-Transfer	674	110		380		

Source: Company Presentations

Exhibit 9

**NEER's 2020 generation fuel mix by MW
Includes NEP**

Source: Company Filings

Gas pipelines and energy storage are also contributing to the increase in NEER's capital investments. The company continues to make relatively modest but growing investments in energy storage, which is an emerging technology growth area in the renewable sector and will support further growth in wind and solar energy installations.

The \$1.5 billion Sabal Trail (represents NEE's 42.5% ownership interest) and the related \$500 million Florida Southeast Connection gas pipelines went into service in 2017. NEE has a 32% ownership interest in the approximately \$6.2 billion Mountain Valley Pipeline (MVP), which continues to be delayed due to pending receipt of certain state and federal permits. Similar to other gas pipeline construction projects, the Mountain Valley pipeline has experienced cost overruns and delays largely related to permitting and environmental concerns. The project is currently about 93% constructed and there is a chance for additional costs due to recent judicial decisions and regulatory changes. In January 2021, NEE announced the \$1.2 billion after-tax write down in the value of its investment in MVP due to the current legal and regulatory challenges involved with the pipeline investment, as well as the substantial delays in reaching commercial operation and increased costs associated with those delays. MVP's in-service date is expected in 2022 however it will likely be further delayed. MVP, if completed, and other FERC regulated pipelines in operation are expected to generate stable cash flow under long-term contracts and will help support NEE's overall credit metrics.

Financial profile expected to remain stable and support credit quality

For the 12-month period ended 31 March 2021, NEE's ratio of CFO pre-W/C to debt was 15.4% which is lower than its 3-year historical average for the same period of 17.0%. The lower credit metric can be mainly attributed to the company's attempt to capitalize on low interest rates through substantial debt issuances in the first quarter to pre-fund upcoming debt maturities as well as significant capital investments planned for the balance of the year. Furthermore, included in parent debt is \$6 billion of debentures related to equity

units issued in September 2019, February 2020, and September 2020. These securities cause the issuance of equity in three years from issuance and the proceeds have historically been used to reduce holding company debt. If we take a forward view pro forma for future debt reduction using proceeds received from the equity unit conversions, we estimate NEE's ratio of CFO pre-W/C to debt would be about 17.4%.

Beginning in 2018, NEE deconsolidated NEP based on US GAAP accounting rules. When proportionally consolidating NEP's results based on NEE's 57.2% ownership interest, we estimate that NEE's consolidated ratio of CFO pre-W/C to debt ratio for the 12-months ended 31 March 2021 would be roughly 15.4% as well. When taking a forward view pro forma for future debt reduction related to the equity unit proceeds, NEE's consolidated ratio of CFO pre-W/C to debt, including the proportional consolidation of NEP, would be approximately 17.4%. Going forward, when factoring in the additional revenue and cash flow from FPL's pending rate case as well as increased debt issuances to help fund substantial growth capital investments across the NEE family of companies, including NEE's renewable business and FPL's regulated rate base, we expect NEE's financial profile to remain relatively steady including a ratio of CFO pre-W/C to debt in the 17% - 19% range. We expect that NEE will continue to manage its balance sheet in a manner that maintains its current financial profile and supports its credit quality.

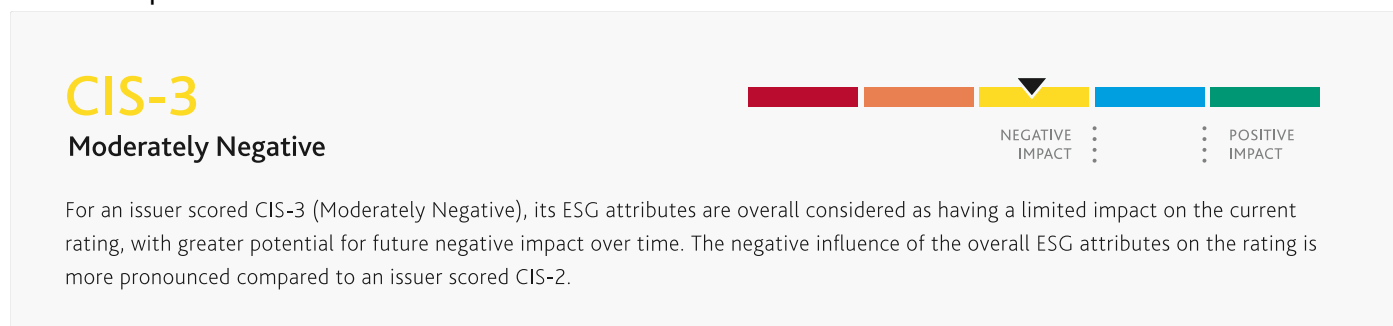
NEE's relatively high percentage of holding company debt compared to peers and its higher risk, albeit heavily contracted, unregulated business are incorporated into our credit analysis. These factors constrain the credit profile of the entire corporate family and this is reflected in the relatively wide, threenotch differential between the ratings of NEE and its principal utility subsidiary, FPL.

ESG considerations

NEE's ESG Credit Impact Score is CIS-3 (Moderately Negative).

Exhibit 10

ESG Credit Impact Score



Source: Moody's Investors Service

NEE's ESG Credit Impact Score is moderately negative (**CIS-3**) because its ESG attributes are considered as having an overall limited impact on the current rating, with potential for future negative impact over time. NEE's credit impact score reflects high environmental risk, along with moderately negative social risk and neutral-to-low governance risk.

Exhibit 11

ESG Issuer Profile Scores



Source: Moody's Investors Service

Environmental

NEE's high environmental risk (**E-4** issuer profile score) largely reflects high physical climate risks resulting from hurricanes and tropical storms in its core Florida market. NEE's carbon transition risk is neutral-to-low as it has a diverse portfolio of generation including minimal coal and growing renewable energy resources. The company's nuclear generation fleet adds risks of waste management and pollution. While NEE has not had any problems with its nuclear fleet or nuclear waste to date, it remains an inherent risk for nuclear operators in the industry. The fossil fuel generation is balanced by NEE ownership of the largest portfolio of renewable power projects in North America.

Social

NEE's exposure to social risks is moderately negative (**S-3** issuer profile score) as the operation of nuclear generation heightens risk of responsible production, while demographics and societal trends may increase public concern over environmental, social, or affordability issues that could lead to adverse regulatory or political intervention. NEE's social risks are somewhat offset by FPL's low customer rates that are approximately 30% below the national average, strong customer and load growth as well as the robust and independent regulatory framework in which it operates. The regulatory framework provides strong assurance that the company will be able to recover storm costs from customers, even where these can be politically controversial.

Governance

NEE's governance is broadly in line with other utilities and does not pose particular risk (**G-2** issuer profile). This is supported by neutral-to-low risk scores on financial strategy and risk management, management credibility and track record, and compliance and reporting; despite a relatively low number of independent directors and additional organizational complexity with its majority-owned affiliate, NEP.

Additional ESG considerations

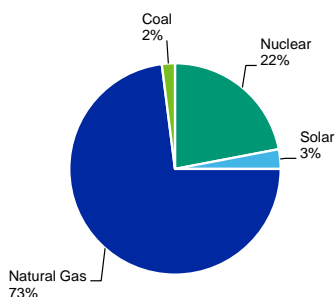
NEE is strongly positioned for carbon transition risk within the utility sector because of its minimal coal exposure and substantial ownership of modernized and efficient natural gas-fired generation assets. NEE's coal exposure includes FPL's ownership of approximately 75% of Unit 4 (634 MW) of the Scherer coal facility in Georgia, expected to be retired by January 2022; as well as Gulf Power's 25% share of Scherer Unit 3 (215 MW); and 50% ownership of the Daniel coal plant in Mississippi (500 MW), expected to be retired by January 2024. The approximate 965 MW Gulf Clean Energy Center (formerly Plant Crist) in Florida was converted to a gas-fired facility in 2020.

NEE, including FPL, owns approximately 25 GW of natural gas generation out of a total owned generation of approximately 57 GW. NEE continues to invest in renewable energy, including at FPL where solar generation assets are typically included in rate base and in rates on a timely basis through the SoBRA cost recovery mechanism.

As of 31 March 2021, approximately 8% of FPL's (combined with Gulf Power) approximately 31,200 MW of generation capacity was solar. FPL is projecting to have over 11,700 MW of installed solar power capacity by 2030, which equates to adding roughly 1000 MW of solar per year. In its 2016 rate case settlement, FPL was allowed timely recovery of up to 300 MW annually of new solar generation from 2017 through 2020 through the SoBRA recovery mechanism. In FPL's pending rate case filing, the company is requesting FPSC approval to recover up to 1,788 MW of solar projects in 2024 and 2025 through the SoBRA mechanism.

FPL plans to grow its portfolio of solar power plants as part of the company's "30-by-30" plan to install 30 million solar panels by 2030. As of May 2021, approximately 12 million panels are in service. In addition, in March 2020, the FPSC unanimously approved FPL's "SolarTogether" initiative, which allows customers to source up to 100% of their energy from solar and receive monthly bill credits. Nearly 1,500 MW of solar capacity is included in this program, much of which has already been completed or is under construction. For further discussion on the utilities industry's carbon transition risk refer to "[Carbon transition risk for power generation varies widely by issuer](#)" (December 2020).

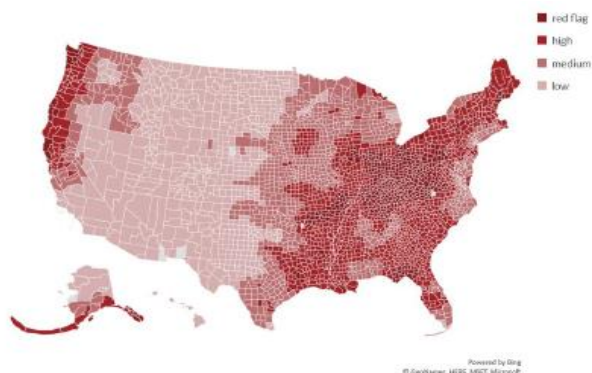
Exhibit 12
FPL Generation fuel mix by MWh



As of December 31, 2020
 Source: Company Filings

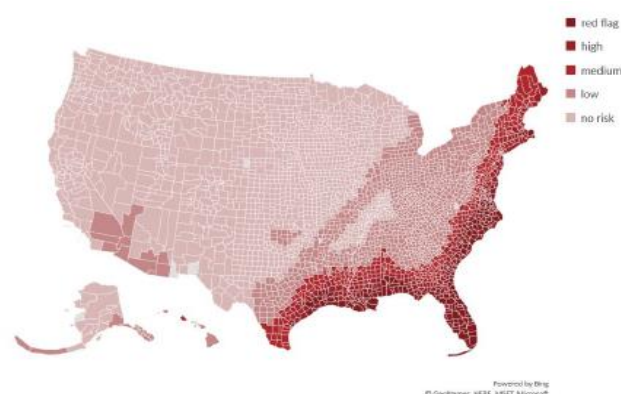
As discussed above, NEE's regulated utility service territories are along the coasts of Florida, making them vulnerable to storm related event risk. As such, regulatory treatment to address storm costs has and will continue to be an important factor supporting the credit quality of FPL, particularly since climate change is expected to make storms more severe and more frequent. Securitization legislation for the recovery of excessive storm-related costs is also in place in Florida, although FPL has not pursued securitization financing for storm costs in recent years. We expect FPL will have to deal with severe storm activity periodically going forward and continued favorable regulatory treatment will be critical to support credit quality.

Exhibit 13
Relative projected extreme rainfall and flood stress



This metric is a combination of 3 projected components (wet days, very wet days, rainfall intensity) with annual changes from 2030-2040 vs. 1975-2005 + 2 historical components (flood frequency and flood severity, on return inundation basis).
 Source: 427 (data sourced from CMIP5 models and Fathom)

Exhibit 14
Hurricane risk (historical data)



The indicator reflects the cumulative wind velocity from recorded cyclones over the period 1980-2016
 Source: 427 (data sourced from IBTRACS version 3)

Liquidity analysis

NEE's corporate family of companies have sufficient liquidity, with FPL maintaining the strongest liquidity profile, primarily due to robust cash flow generation and strong access to the capital markets. As has been the case historically, NEECH's liquidity is somewhat constrained by its large capital investment program and the need to repay/refinance a substantial amount of maturing debt and provide for material contingent calls related to its hedging and marketing activities. However, NEECH has demonstrated an ability to manage its liquidity profile effectively, primarily through strong access to bank and debt capital markets.

For the 12-months ended 31 March 2021, FPL's cash flow from operations was \$5.4 billion compared to capital expenditures of \$6.3 billion, largely driven by spending on transmission and distribution infrastructure, existing generation asset upgrades, as well as new solar generation investments. The shortfall in funding capital investments using internally generated cash flow was supplemented

by short and long-term borrowings as well as capital contributions from its parent. Going forward, we expect FPL will fund its capital investments using internally generated cash flow and any shortfalls will be supplemented with debt borrowings and equity contributions from its parent in a balanced manner in order to maintain its targeted capital structure.

As of 31 March 2021, FPL had net available liquidity of about \$3.8 billion, which included \$4.6 billion of bank revolving line of credit facilities that also backstop its commercial paper (CP) program which had \$818 million of borrowings outstanding. The utility had full availability of its \$780 million of bilateral revolving credit facilities and about \$44 million of cash and cash equivalents. Owing to its strong credit profile, FPL maintains strong access to the capital markets which typically allows the utility to easily refinance its debt maturities. Commitments under the core revolver are laddered, with the vast majority terminating in 2026. FPL's credit facilities do not contain a material adverse change clause for new borrowings. The next largest debt maturity at FPL is \$500 million of first mortgage bonds maturing in June 2023.

NEECH's liquidity profile is impacted by its elevated capital investment program, particularly strong growth and development of new renewable power projects, which typically results in substantial negative free cash flow balances. Its negative free cash flow position has ranged from roughly \$3 billion to more than \$8 billion over the last five years. For the LTM 31 March 2021, NEECH's cash flow from operations was \$1.6 billion compared to capital expenditures of \$9.3 billion and dividends of \$603 million. As has been the case, NEECH managed to finance the resulting negative free cash flow of about \$8.2 billion through a combination of project finance debt, tax equity, recycling of capital through asset sales and long-term debt issuances.

As of 31 March 2021, NEECH had \$6.8 billion of net available liquidity, which included \$1.4 billion of cash; \$7.4 billion of availability on its revolving credit facilities, net of about \$1.9 billion of commercial paper borrowings; and full availability on \$2.4 billion of bilateral revolving credit facilities. The company's cash balance is elevated compared to historical levels as the company raised to prefund certain debt maturities coming due. NEECH's almost \$5.3 billion bank revolving line of credit facility backstops its CP program. As with FPL's core revolvers, the commitments are laddered, with the vast majority terminating in 2026. This facility does not contain a material adverse change clause on new borrowings. NextEra's next significant debt maturity is a \$2 billion debenture at NEECH that will mature in March 2023.

Rating methodology and scorecard factors

Exhibit 15

Methodology Scorecard Factors

NextEra Energy, Inc.

Regulated Electric and Gas Utilities Industry Scorecard [1][2]	Current LTM 3/31/2021		Moody's 12-18 Month Forward View As of Date Published [3]	
	Measure	Score	Measure	Score
Factor 1 : Regulatory Framework (25%)				
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	Aa	Aa	Aa	Aa
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	A	A	A	A
b) Sufficiency of Rates and Returns	A	A	A	A
Factor 3 : Diversification (10%)				
a) Market Position	Aa	Aa	Aa	Aa
b) Generation and Fuel Diversity	A	A	A	A
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	5.1x	A	4.9x - 5.2x	A
b) CFO pre-WC / Debt (3 Year Avg)	17.0%	Baa	17% - 19%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	11.5%	Baa	10% - 14%	Baa
d) Debt / Capitalization (3 Year Avg)	47.9%	Baa	45% - 49%	Baa
Rating:				
Scorecard-Indicated Outcome Before Notching Adjustment		A3		A2
HoldCo Structural Subordination Notching		-2		-2
a) Scorecard-Indicated Outcome		Baa2		Baa1
b) Actual Rating Assigned		Baa1		Baa1

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

[2] As of 3/31/2021(LTM)

[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.

Source: Moody's Financial Metrics

Appendix

Exhibit 16

Cash Flow and Credit Metrics [1]

CF Metrics	Dec-17	Dec-18	Dec-19	Dec-20	LTM Mar-21
As Adjusted					
FFO	7,672	7,424	7,800	8,728	8,291
+/- Other	-79	-137	138	-234	-233
CFO Pre-WC	7,593	7,287	7,938	8,494	8,058
+/- ΔWC	-965	-693	214	-560	-731
CFO	6,628	6,594	8,152	7,934	7,327
- Div	1,967	2,144	2,468	2,787	2,853
- Capex	10,626	12,910	12,234	13,504	14,965
FCF	-5,965	-8,460	-6,550	-8,358	-10,491
(CFO Pre-W/C) / Debt	21.9%	19.5%	18.8%	17.8%	15.4%
(CFO Pre-W/C - Dividends) / Debt	16.2%	13.8%	12.9%	12.0%	10.0%
FFO / Debt	22.1%	19.9%	18.4%	18.3%	15.9%
RCF / Debt	16.4%	14.2%	12.6%	12.5%	10.4%
Revenue	17,173	16,727	19,204	17,997	17,110
Interest Expense	1,631	1,549	2,343	2,094	788
Net Income	4,789	3,122	3,084	2,397	3,840
Total Assets	97,849	103,608	117,556	127,516	132,273
Total Liabilities	69,203	68,987	79,892	90,212	94,104
Total Equity	28,646	34,621	37,664	37,304	38,169

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments. Periods are Financial Year-End unless indicated. LTM = Last Twelve Months

Source: Moody's Financial Metrics

Exhibit 17

Peer Comparison Table [1]

(In US millions)	NextEra Energy, Inc. (P)Baaf (Stable)			Berkshire Hathaway Energy Company A3 (Stable)			Duke Energy Corporation Baaf (Stable)			Sempra Energy Baaf (Stable)			Dominion Energy, Inc. Baaf (Stable)		
	FYE	FYE	LTM	FYE	FYE	LTM	FYE	FYE	LTM	FYE	FYE	LTM	FYE	FYE	LTM
	Dec-19	Dec-20	Mar-21	Dec-19	Dec-20	Mar-21	Dec-19	Dec-20	Mar-21	Dec-20	Dec-20	Mar-21	Dec-19	Dec-20	Mar-21
Revenue	19,204	17,997	17,110	19,844	20,952	22,506	25,079	23,868	24,069	10,829	11,370	11,600	14,401	14,172	14,104
EBITDA	9,946	8,224	8,750	7,880	7,790	8,297	11,597	9,565	9,623	4,590	4,755	5,010	6,710	7,592	8,051
Total Debt	42,303	47,709	52,286	43,958	55,406	55,414	62,423	63,702	65,438	27,265	26,028	26,167	35,060	39,347	41,035
CFO Pre-W/C / Debt	18.8%	17.8%	15.4%	15.5%	13.2%	14.4%	14.8%	14.8%	14.4%	14.1%	16.3%	17.4%	16.5%	13.3%	12.3%
CFO Pre-W/C - Dividends / Debt	12.9%	12.0%	10.0%	15.5%	13.2%	14.3%	10.6%	10.4%	10.0%	9.7%	10.6%	11.7%	8.0%	6.1%	6.1%
Debt / Capitalization	45.4%	47.0%	48.9%	51.0%	49.3%	49.4%	52.9%	52.5%	52.8%	52.7%	48.7%	48.0%	46.7%	55.2%	55.6%
Debt / EBITDA	4.3x	5.8x	6.0x	5.6x	7.1x	6.7x	5.4x	6.7x	6.8x	5.9x	5.5x	5.2x	5.2x	5.2x	5.1x
EBITDA / Interest Expense	4.2x	3.9x	11.1x	4.2x	3.9x	4.0x	4.7x	4.2x	4.3x	3.8x	3.6x	3.8x	4.1x	4.7x	6.7x

[1] All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months. RUR* = Ratings under Review, where UPG = for upgrade and DNG = for downgrade

Source: Moody's Financial Metrics

Ratings

Exhibit 18

Category	Moody's Rating
NEXTERA ENERGY, INC.	
Outlook	Stable
Issuer Rating	Baa1
Senior Unsecured Shelf	(P)Baa1
Jr Subordinate Shelf	(P)Baa2
Pref. Shelf	(P)Baa3
TRANS BAY CABLE LLC	
Outlook	Stable
Issuer Rating	Baa2
NEXTERA ENERGY CAPITAL HOLDINGS, INC.	
Outlook	Stable
Senior Unsecured	Baa1
Bkd Jr Subordinate	Baa2
BACKED Pref. Shelf	(P)Baa3
Commercial Paper	P-2
FLORIDA POWER & LIGHT COMPANY	
Outlook	Stable
Issuer Rating	A1
First Mortgage Bonds	Aa2
Senior Secured	Aa2
Senior Unsecured	A1
Commercial Paper	P-1
Other Short Term	VMIG 1
NEXTERA ENERGY OPERATING PARTNERS, LP	
Outlook	Stable
Bkd Senior Unsecured	Ba1/LGD4
GULF POWER COMPANY	
Outlook	No Outlook
Issuer Rating	A1
Senior Unsecured	A1
Commercial Paper	P-1
NEXTERA ENERGY PARTNERS, LP	
Outlook	Stable
Corporate Family Rating	Ba1
Speculative Grade Liquidity	SGL-2

Source: Moody's Investors Service

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