CROWLEY | FLECK
ATTORNEYS

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April 27, 2026

Via Electronic Mail & Hand Delivery

Mr. Brian Johnson
North Dakota Public Service Commission
600 E. Boulevard, Dept. 408
Bismarck, ND 58505-0480
ndpsc@nd.gov

In re: Northern Divide Energy Storage, LLC
Northern Divide Energy Storage Project – Burke County
Amended Siting Application
Case No. PU-24-371

Dear Mr. Johnson:

On February 18, 2026, Northern Divide Energy Storage, LLC was issued Certificate of Site Compatibility No. 74 for the construction, operation and maintenance of the Northern Divide Energy Storage facility to be located in Burke County, North Dakota. Enclosed for filing in the above-reference matter is the Construction Phase Parent Guarantee for $6,430,000.00 for the Northern Divide Energy Storage facility executed by Northern Divide Energy Storage, LLC, as owner, and NextEra Energy Capital Holdings, Inc. ("NEECH") as parent guarantor. Also enclosed are copies of corresponding credit rating information for NEECH issued by S&P Global Ratings and Fitch Ratings.

Please feel free to contact me if you have any questions. Thank you.

Sincerely,

/s/ Casey A. Furey

Casey A. Furey

CAF/lh
Enc.

cc: Victor Schock (via email)
Tracy Davis (via email)
Clint Scherb (via email)
Erik Edison (via email)

1 PU-26-159 Filed 04/28/2026 Pages: 32
Letter Enclosing Financial Assurance (Parent Guarantee) and Related Credit Rating Information

Northern Divide Energy Storage, LLC
Casey Furey, Crowley Fleck, PLLP

CONSTRUCTION PHASE PARENT GUARANTEE
PUBLIC SERVICE COMMISSION
PUBLIC UTILITY DIVISION

Owner/Obligor: **NORTHERN DIVIDE ENERGY STORAGE, LLC**	Guarantor: **NEXTERA ENERGY CAPITAL HOLDINGS, INC.**
Financial Assurance/Guarantee Amount: **$6,430,000.00**	

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 NORTHERN DIVIDE ENERGY STORAGE, 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. In accordance with Finding of Fact No. 41 in the Commission's February 18, 2026 Findings of Fact, Conclusions of Law and Order in Case No. PU-24-371, Owner/Obligor committed to submit decommissioning financial assurance to the Commission in accordance with the Commission's existing rules governing wind energy conversion facility decommissioning and financial assurance requirements under North Dakota Administrative Code Chapter 69-09-09 (the "**RULE**").

2. GUARANTOR's indirect, wholly-owned subsidiary, OBLIGOR, owns the following utility-scale energy storage system a/k/a battery energy storage system ("BESS"):

Name	Northern Divide Energy Storage, LLC
Address	700 Universe Blvd
City, State, Zip	Juno Beach, FL 33408
Site Certificate Number ("Certificate")	Certificate of Site Compatibility No. 74 Case No. 24-371
Issuance Date	February 18, 2026
Estimated Operation Date	December 31, 2026
Five (5) Percent of estimated Construction Cost	$6,430,000 ($128.6 million x 0.05)

3. GUARANTOR will directly or indirectly benefit from the BESS for which the above Certificate has been issued.

4. The OBLIGOR is to provide to the COMMISSION financial assurance to secure the reclamation and remediation commitment of OBLIGOR. Said commitment of OBLIGOR is to adhere to the Commission's financial assurance rules set forth in the RULE and GUARANTOR desires to guarantee such commitment.

5. The GUARANTOR meets the 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 GUARANTOR's financial assurance commitment to the COMMISSION.

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 reclamation and remediation of the above BESS in accordance with the RULE, and to the satisfaction of the COMMISSION, and the GUARANTOR does not substitute performance for the OBLIGOR upon COMMISSION request in accordance with the RULE and to the satisfaction of the COMMISSION, the GUARANTOR hereby and irrevocably guarantees timely payment of all obligations owing to the COMMISSION to complete reclamation 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 Construction Phase Parent Guarantee on the terms and conditions described in this agreement, said payments of monies to be used for the reclamation and remediation of the above-listed BESS in accordance with the RULE.

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 for which the above site certificate has been issued in accordance with the RULE.

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.

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 bond 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.

16. If the OBLIGOR fails to complete the reclamation and remediation as set forth in RULE, the terms and conditions of the Certificate, and to the satisfaction of the Commission, the GUARANTOR shall be required to complete reclamation and remediation for the lands in default or pay the State of North Dakota the amount necessary to complete reclamation and remediation, 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 reclamation 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 Certificate of Site Compatibility, the extension or reduction of the time of performance after abandonment and/or reclamation 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 financial assurance requirements set forth under the RULE 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 thirty(30) 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 reclamation and remediation is deemed complete by the COMMISSION. Notwithstanding anything in this Guarantee to the contrary, this Guarantee and GUARANTOR's obligations hereunder will terminate automatically and immediately upon **the fifth anniversary of the Effective Date** (as defined below).

23. This Guarantee is and continues to be effective notwithstanding any present or future legal disability of the OBLIGOR.

24. 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.

25. This Guarantee is good and effective notwithstanding any change or changes in the business name of the OBLIGOR or GUARANTOR.

26. 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.

27. 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.

28. 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.

29. 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

30. 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.

31. 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.

32. The effective date of this agreement is **April 1, 2026** (the "Effective Date").

33. Other:

SIGNATURES OF GUARANTOR:

First Authorized Signature:

Signature of President or Authorized Officer	
Name: **Matthew R. Geoffroy**	Title: **Assistant Treasurer**

State of Florida)
) SS.
County of Palm Beach)

The foregoing instrument was acknowledged before me on this date April 17, 2026 by Matthew R. Geoffroy

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

BY: Alexis Factor

(SEAL)

NOTARY PUBLIC

MY COMMISSION EXPIRES: July 21 2028

ALEXIS FACTOR
Notary Public-State of Florida
Commission # HH 524610
My Commission Expires
July 21, 2028

Second Authorized Signature:

Signature of Chief Financial Officer or Authorized Officer Joseph Balzano	
Name: **Joseph Balzano**	Title: **Assistant Treasurer**

State of Florida)

) SS.

County of Palm Beach)

The foregoing instrument was acknowledged before me on this date April 22, 2026 by Joseph Balzano of **NextEra Energy Capital Holdings, Inc.**, a Florida corporation, on behalf of the corporation.

BY Alexis Factor Alexis Factor

NOTARY PUBLIC

(SEAL)

MY COMMISSION EXPIRES: July 21, 2028

ALEXIS FACTOR
Notary Public-State of Florida
Commission # HH 524610
My Commission Expires
July 21, 2028

ACKNOWLEDGEMENT OF OBLIGOR

The OBLIGOR acknowledges and agrees that the above-signed GUARANTOR is providing to the COMMISSION financial assurance to secure the reclamation and remediation commitment of the OBLIGOR consistent with the terms under North Dakota Administrative Code Chapter 69-09-09 (the "RULE"). The OBLIGOR agrees that the above-signed agreement does not relieve the OBLIGOR from liability or its reclamation and remediation obligations pursuant 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: **Christopher H. Zajic**	Title: **Vice President & Treasurer**

State of Florida)
) SS.
County of Palm Beach)

The foregoing instrument was acknowledged before me on this date April 22, 2026 by Christopher H. Zajic of **Northern Divide Energy Storage, LLC**, a Delaware corporation, on behalf of the corporation.

(SEAL) Notary Public State of Florida Kristie Kiper My Commission HH 422906 Expires 7/18/2027

BY: Kristie Kiper

NOTARY PUBLIC: Kristie Kiper

MY COMMISSION EXPIRES: 7/18/2027

Second Authorized Signature:

Signature of Chief Financial Officer or Authorized Officer	
Name: Anthony Pedroni	Title: Vice President

State of Florida)
) SS.
County of Palm Beach)

The foregoing instrument was acknowledged before me on this date April 27, 2026 by Anthony Pedroni

of **Northern Divide Energy Storage, LLC,** a Delaware corporation, on behalf of the corporation

(SEAL)

JESSICA MANSFIELD
Commission # HH 477616
Expires January 4, 2028

BY: ____________________

NOTARY PUBLIC: Jessica Mansfield

MY COMMISSION EXPIRES: 1/4/28

Research Update:

NextEra Energy Inc. 'A-' Rating Affirmed On Strong Growth; Outlook Remains Stable

June 25, 2024

PRIMARY CREDIT ANALYST

Gerrit W Jepsen, CFA
New York
+ 1 (212) 438 2529
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@spglobal.com

SECONDARY CONTACT

Daria Babitsch
New York
917-574-4573
daria.babitsch1
@spglobal.com

Rating Action Overview

- Following NextEra Energy Inc.'s (NEE) recent investor conference, we believe that NEE's non-utility competitive contracted business will experience increasing growth related to demand from data centers and the onshoring of manufacturing. We also expect an improvement in the non-utility businesses' cash flow stability because of the company's increasing reliance on the transferability of tax credits. At the same time, the company's regulated utilities are experiencing high growth for renewable generation and as such we expect that the company will maintain its utility to non-utility balance at about 70% of consolidated EBITDA to about 30% of consolidated EBITDA.
- We affirmed all our ratings on NEE, including the 'A-' issuer credit rating and the 'BBB+' senior unsecured debt rating. The outlook remains stable.
- We affirmed all our ratings on Florida Power & Light Co., including the 'A' issuer credit rating and 'A-1' short-term rating.. The outlook remains stable.
- The stable outlook incorporates our view that NEE's regulated utility business will continue to account for about 70% of the company's consolidated EBITDA. Under our base case, we assume consolidated funds from operations (FFO) to debt of 19%-21% through 2026.

Rating Action Rationale

Our ratings on NEE reflect our assessment of its business risk profile as excellent. We continue to assess NEE as toward the middle of the business risk profile category range, primarily reflecting the company's lower-risk regulated utilities businesses (roughly 70% of EBITDA), which benefit from utility subsidiary Florida Power & Light Co.'s (FP&L) large, mostly residential and expanding customer base that provides cash flow stability. We assess Florida's regulatory construct as constructive because NEE benefits from forward-looking test years and various regulatory mechanisms that provide for the timely recovery of investments and fuel costs.

The company's higher-risk non-utility businesses, which account for roughly 30% of its consolidated EBITDA, increases business risk. They include contracted competitive energy, nuclear merchant generation, customer supply and trading, retail supply and wholesale full-requirement contracts, and natural gas exploration and production businesses. Some of these activities entail significant liquidity needs, low margins, and require diligent risk management and hedging against fluctuating commodity prices. Our assessment of these businesses incorporates the company's growing benefits from the 2022 Inflation Reduction Act that include longer-term certainty for tax credit benefits and the transferability opportunities as an efficient option to divest of tax credits that enhances longer-term cash flow predictability. Accordingly, the non-utility business' FFO will likely account for more than 30% of the company's consolidated FFO because of its growth opportunities and its increasing stable cash flows from the transferability of tax credits. While we believe tax credit transferability may be transitory in nature, credit quality is supported by a strong management track record and the company's competitive advantages, relative to peers. This includes the company being North America's largest developer and operator of renewable generation and its improving efficiencies, including remote operations of the company's generation assets.

We assess NEE's financial risk profile as significant. NEE's capital spending remains robust, averaging about $26 billion per year through 2026. We expect it will lead to annual discretionary cash flow deficits of about $17 billion. For 2023, we removed about $6.6 billion of the project finance debt at NextEra Energy Resources LLC associated with its stand-alone renewable generation projects. This reflects our view that NextEra Energy Resources has sufficient scale and diversity around its existing wind and solar investment and that no single project is critical to the company. Furthermore, management's public statement that it would not support a failing project and NEE's record of walking away from one project supports our assessment.

We expect NEE will fund its growing capital investments in a balanced manner, maintaining its credit quality. This could include use of equity issuances, hybrid securities, asset recycling, tax credits, and tax equity to support credit quality. Under our base case, we expect FFO to debt of 19%-21% through 2026. We evaluate the company's financial measures using our medial-volatility benchmarks, which primarily reflect its low-risk utility operations and effective management of regulatory risk.

Outlook

The stable outlook on NEE incorporates our view that it will maintain its lower-risk regulated utility business at about 70% of consolidated EBITDA. We also forecast NEE's consolidated FFO to debt of 19%-21% through 2026.

Downside scenario

We could lower our rating on NEE over the next 24 months if we believe its management of regulatory risk has weakened, its lower-risk regulated utility businesses account for materially less than 70% of its consolidated EBITDA, or if FFO to debt weakens to below 18%. This could occur if the company unexpectedly increases leverage to support a more aggressive growth strategy, higher-than-forecast shareholder rewards, or a large debt-financed acquisition.

Upside scenario

We could raise our rating on NEE over the next 24 months if its financial measures improve and consistently reflect FFO to debt greater than 25%, without increasing business risk. This could occur if the company reduces its reliance on leverage, substantially reduces growth spending, or finances a large acquisition or capital project mostly with equity.

Company Description

NEE is a large electric power and energy infrastructure company that primarily comprises lower-risk, regulated utility operations (approximately 70% of EBITDA), competitive generation (approximately 20% of EBITDA), customer supply and trading (approximately 5% of EBITDA), and natural gas infrastructure businesses (approximately 5% of EBITDA). The company's regulated utility, FP&L, serves more than 5.9 million customers in Florida and maintains about 35,000 megawatts (MW) of generation capacity, including from nuclear and natural gas. NEE's non-utility operations focus on contracted electric generation (hedged or under long-term contracts) with an emphasis on renewable energy projects, as well as some fossil fuel and nuclear generation.

Our Base-Case Scenario

- EBITDA rises annually, supported by rate increases at its utility and the expansion of its contracted and competitive generation assets.
- Capital expenditure (capex) averaging about $26 billion per year through 2026, before asset recycling and tax equity.
- Negative discretionary cash flow averaging about $17 billion annually through 2026, indicating external funding needs.
- NEE funds its growth in a balanced manner using equity issuances, hybrid securities, asset recycling, and tax equity.
- NEE refinances all debt maturities.

Liquidity

We rate the commercial paper program at NextEra Energy Capital Holdings Inc. (NEECH) 'A-2' based on our issuer credit rating on NEECH.

We base our short-term 'A-2' rating on our long-term issuer credit rating on NEE. As of March 31, 2024, we assess the company's liquidity as adequate, which reflects our expectation its sources of cash will be 1.1x its uses over the next 12 months even if its consolidated EBITDA declines 10%. We believe NEE's predictable regulatory framework provides it with cash flow stability even in times of economic stress, which supports our use of slightly lower thresholds to assess its liquidity. In addition, we believe it has the ability to absorb high-impact, low-probability events. This reflects NEE's committed credit facilities provided by a large group of banks and our belief it can reduce its high capital spending during periods of stress, indicating a limited need for refinancing under such conditions. Furthermore, our assessment reflects the company's generally prudent risk management, sound relationships with its banking group, and satisfactory standing in the credit markets (its credit default swap spreads are in line with those of its peer investment-grade utilities). Overall, we believe NEE will likely withstand adverse market circumstances over the next 12 months while maintaining sufficient liquidity to meet its obligations. The company's long-term debt maturities in 2024 are expected to be proactively address well in advance of their scheduled due dates.

Principal liquidity sources

- Estimated cash FFO of about $14.1 billion;
- Credit facility availability of about $10.3 billion;
- Asset sales, reflecting dropdown of projects to affiliates and tax equity proceeds, of about $6.2 billion; and
- Cash and liquid investments of about $1.6 billion.

Principal liquidity uses

- Debt maturities, including outstanding commercial paper, of about $14.1 billion;
- Capital spending of about $11 billion, which reflects the company's ability to scale back its planned capital spending, including that related to growth, amid financial distress; and
- Dividends of about $4.3 billion.

Environmental, Social, And Governance

Environmental and governance factors are positive considerations in our credit rating analysis of NEE. The company is increasing the proportion of renewable generation in its generation portfolio to about 45% (from about 27%) by 2025 while reducing its reliance on nuclear generation to about 18% (from about 23%) and natural gas to about 36% (from about 48%). The cumulative effect will further strengthen its industry-leading carbon dioxide intensity (emissions in tons/gigawatts). Currently, the company's carbon intensity is about 40% lower than that of its closest industry competitor. NEE's record of effective strategic planning and completion of its many infrastructure projects on time and on budget, while also meeting or exceeding its financial performance targets, lead us to anticipate it will successfully execute its strategic initiatives.

Issue Ratings - Subordination Risk Analysis

Capital structure

- As of March 31, 2024, NEE's capital structure comprised about $66 billion of total long-term debt, of which about $42 billion was outstanding at NEECH and about $24 billion was outstanding at FP&L.

Analytical conclusions

- We rate the senior unsecured debt at NEECH, which is guaranteed by NEE, one notch below our rating on NEE because it ranks behind significant debt issued by subsidiaries in the capital structure.
- We rate the junior unsecured debt at NEECH, which is guaranteed by NEE, one notch below our rating on NEE because it ranks behind significant debt issued by subsidiaries in the capital

structure.

- We rate the hybrid equity units at NEE two notches below our issuer credit rating, which incorporates one notch for their deferability and one notch for their subordination.
- We rate the hybrid junior subordinated notes at NEECH two notches below our rating on NEE, which incorporates one notch for their deferability and one notch for their subordination.

Ratings Score Snapshot

Issuer Credit Rating: A-/Stable/--

Business risk: Excellent

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

Financial risk: Significant

- Cash flow/leverage: Significant

Anchor: a-

Modifiers

- Diversification/portfolio effect: Neutral (no impact)
- Capital structure: Neutral (no impact)
- Financial policy: Neutral (no impact)
- Liquidity: Adequate (no impact)
- Management and governance: Positive (no impact)
- Comparable rating analysis: Neutral (no impact)

Stand-alone credit profile: a-

- Group credit profile: a-
- Issuer credit profile: A-

Related Criteria

- Criteria | Corporates | General: Sector-Specific Corporate Methodology, April 4, 2024
- Criteria | Corporates | General: Corporate Methodology, Jan. 7, 2024
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Jan. 7, 2024
- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021

- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- 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
- General Criteria: Methodology: Industry Risk, 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: Principles Of Credit Ratings, Feb. 16, 2011

Ratings List

Ratings Affirmed	
NextEra Energy Inc.	
Issuer Credit Rating	A-/Stable/--
Florida Power & Light Co.	
Issuer Credit Rating	A/Stable/A-1
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+
Preference Stock	BBB+
Commercial Paper	A-1
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.spglobal.com/ratings for further information. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

FitchRatings

Corporates
Electric-Corporate
United States

NextEra Energy, Inc.

NextEra Energy, Inc's (NextEra) ratings reflect its ownership of Florida Power and Light Co. (FPL), a regulated electric utility operating in a constructive regulatory environment, and its strong competitive position as one of the largest renewable generation companies in the U.S. Our forecasts assume a constructive outcome for FPL's pending 2025 rate case and a balanced funding mix for NextEra's renewable investments.

Fitch Ratings expects NextEra's funds from operations (FFO) leverage (adjusted for non-recourse debt) to improve to approximately 4.2x in 2027, providing modest headroom above the downgrade threshold of 4.3x.

Key Rating Drivers

Significant Regulated Business Mix: Fitch estimates that regulated EBITDA made up about 75% of NextEra's business mix in 2024 and will stay towards the upper half of the 70% to 75% range through 2027. This will be driven by base rate increases and rate base growth at FPL and continued success in securing new Federal Energy Regulatory Commission-regulated transmission investments. NextEra's focus continues to be on long-term contracted renewable generation within the non-regulated businesses. Fitch expects adjusted EBITDA from regulated and contracted businesses to comprise 90% to 95% of total consolidated EBITDA over the next three years.

Robust Demand for Power: Fitch believes NextEra is well-positioned to capitalize on significant power demand growth, partly driven by the rapid proliferation of energy-intensive data centers. Its strong development pipeline and ability to quickly bring clean generation online make NextEra an attractive partner for big technology companies focused on speed to market. Renewables remain competitive with other forms of power generation in U.S. most regions.

IRA Rollback Concerns: The potential repeal of the Inflation Reduction Act (IRA) poses ongoing challenges for NextEra and other renewable developers. Fitch's base case assumes a continuation of the existing federal tax incentives for renewable energy, including no change to tax transferability provision over Fitch's forecast period of 2025-2027. This is driven by the safe harbor rules in place, as well as Fitch's view that there will be a phased expiration of technology neutral clean energy tax credits. If the transferability of tax credits is repealed, NextEra plans to rely on its strong relationships with tax equity investors to fund growth.

Limited Exposure to Tariff Risk: NextEra has effectively insulated itself from potential tariff impacts through diversification of its supply chain, cultivating domestic supplier relationships and shifting much of the tariff risk to suppliers by leveraging its market-leading position. The company fully sources wind turbines in the U.S., has secured contracts to source batteries domestically for a significant portion of its backlog, and has diversified its solar supply chain away from China and other Asian countries impacted by anti-dumping and countervailing duties. NextEra estimates less than $150 million in tariff exposure through 2028 on a capital expenditure (capex) spend of over $75 billion.

Record Renewable Pipeline: NextEra continues to demonstrate a strong track record of solar, wind and battery storage origination projects. The company has a robust pipeline of projects in various stages of development. Management plans to develop 36.5 GW to 46.5 GW of renewable and battery storage projects over 2024-2027, maintaining its industry leadership. NextEra's renewables and storage backlog of signed contracts was 27.7 GW as of April 23, 2025. Its generation portfolio is geographically diverse, with long-term power purchase agreements and strong creditworthy off-takers.

Ratings

NextEra Energy, Inc.

Long-Term IDR	A–
Outlook	
Long-Term Foreign-Currency IDR	Stable

NextEra Energy Capital Holdings, Inc.

Long-Term IDR	A–
Short-Term IDR	F2
Senior Unsecured Debt - Long-Term Rating	A–
Senior Unsecured Debt - Short-Term Rating	F2
Junior Subordinated Debt	BBB
Outlook	
Long-Term Foreign-Currency IDR	Stable

Click here for the full list of ratings

ESG and Climate

Highest ESG Relevance Scores

Environmental	3
Social	3
Governance	3

2035 Climate Vulnerability Signal: 30

Applicable Criteria

Corporates Recovery Ratings and Instrument Ratings Criteria (August 2024)

Corporate Hybrids Treatment and Notching Criteria (April 2025)

Corporate Rating Criteria (December 2024)

Sector Navigators – Addendum to the Corporate Rating Criteria (December 2024)

Parent and Subsidiary Linkage Rating Criteria (June 2023)

Related Research

Global Corporates Macro and Sector Forecasts: April 2025 Update (April 2025)

North American Utilities Monitor: 4Q24 (March 2025)

North American Utilities Outlook 2025 (December 2024)

North American Utilities, Power & Gas Dashboard: 1Q25 (April 2025)

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Strong Competitive Position: NextEra, leveraging its leading position and scale in renewables, has navigated industry headwinds like supply chain disruptions, solar import tariffs and grid interconnection issues without material disruptions. It maintains long-term strategic relationships with equipment providers and secures supplies in advance. An announced framework agreement with GE Vernova to build long-term contracted natural gas power plants will enhance competitiveness as large commercial and industrial customers, as well as utility customers increasingly seek natural gas fired generation as part of portfolio solutions.

Elevated Capex: Fitch expects consolidated capex to exceed $85 billion over 2025-2027, which is significantly higher than historical levels. More than 65% of capex will go towards non-regulated businesses, posing a modest credit risk. The funding plan relies on IRA tax transferability provisions and renewable asset sales, including build-own-transfer transactions, instead of asset dropdowns to XPLR Infrastructure L.P. (XPLR; BB+/Stable), along with continued access to project finance and tax equity. Substantial interest rate hedges offer near-term protection from a rise in interest rates.

Strengthening of Credit Metrics: Adjusting for non-recourse debt, Fitch expects FFO leverage for NextEra to be approximately 4.2x in 2027, providing modest headroom against Fitch's downgrade threshold. On a fully consolidated basis (including nonrecourse project debt), Fitch expects NextEra's FFO leverage to be between 5.0x and 5.3x in 2025–2027. To calculate adjusted FFO leverage, Fitch deconsolidates the debt and EBITDA from most project-financed entities, including only upstream distributions received from these entities. Non-recourse debt and EBITDA for regulated transmission investments are not deconsolidated.

The off-credit treatment to the limited recourse debt reflects Fitch's view that NextEra would abandon projects in financial deterioration, including projects where a differential membership interest has been sold. NextEra's commitment to not buy the remaining ownership interest in its subsidiary XPLR supports this approach. This method aligns with Fitch's approach for other renewable generation companies.

Parent-Subsidiary Rating Linkage: There is parent subsidiary linkage between NextEra and FPL. Fitch determines NextEra's standalone credit profile (SCP) based upon consolidated metrics. Fitch considers FPL to have SCP stronger than that of NextEra. Fitch, therefore, has followed the stronger subsidiary path.

Emphasis is placed on FPL's status as a regulated entity. Legal ring fencing is considered porous due to the general protections afforded by regulatory oversight. Access and control are evaluated as porous. NextEra centrally manages the treasury function for all of its entities and is the sole source of equity; however, FPL issues its own short-term and long-term debt. Due to the aforementioned linkage considerations, Fitch will limit the difference between the IDRs of NextEra and FPL to two notches.

Financial Summary

(USD Mil.)[a]	2021	2022	2023	2024	2025F	2026F
Gross revenue	17,069	20,956	28,114	24,753	27,602	28,211
EBITDA	7,108	8,844	16,356	13,177	15,255	15,950
CFFO (Fitch-defined)	7,568	8,245	11,284	13,231	14,151	14,310
Capital intensity (capex/revenue) (%)	89.6	46.5	34.0	34.4	—	—
Debt	53,369	63,551	71,922	80,113	88,821	101,525
FFO interest coverage (x)	6.3	6.1	5.1	4.8	3.9	3.6
FFO leverage (x)	5.8	6.7	5.1	5.4	5.0	5.3
EBITDA leverage (x)	7.0	6.8	4.2	5.7	5.7	6.2

[a] Based on consolidated financial information, inclusive of limited recourse entities. F – Forecast.
Source: Fitch Ratings, Fitch Solutions

Peer Analysis

NextEra compares favorably with peer parent holding companies such as The Southern Company (BBB+/Stable), Sempra (BBB+/Stable) and Dominion Energy, Inc. (BBB+/Stable) due to its ownership of a strong regulated utility in Florida, dominant position in the contracted renewable business and superior credit metrics, which are offset by a smaller proportion of regulated utility operations in the overall business mix.

Some of NextEra's peers face material project execution risk due to the construction of large projects, including Dominion's large offshore wind project and potential liquefied natural gas projects at Sempra's midstream subsidiary.

The corporate debt at NextEra, Sempra and Dominion is structurally subordinated to non-recourse debt at their project subsidiaries. NextEra's ownership interest in XPLR adds organizational complexity that its peers lack.

NextEra generates 75% of its consolidated EBITDA from regulated utility subsidiaries, which is less favorable compared with Southern (86%), Sempra (80% to 90%) and Dominion (90%). NextEra's projected adjusted FFO leverage of 4.2x by 2027 is stronger than projected metrics for Southern (5.0x) and Dominion (5.0x), and comparable to that for Sempra (4.4x).

Rating Sensitivities

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

- After adjusting for non-recourse debt, FFO leverage sustained above 4.3x as long as distribution derived from such non-recourse subsidiaries is less than 20% of the consolidated FFO;
- Any deterioration in credit measures that results from higher use of leverage or outsized return of capital to shareholders;
- 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.

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

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

Liquidity and Debt Structure

On a consolidated basis, NextEra had $18.4 billion of net available liquidity as of March 31, 2025, excluding limited recourse or nonrecourse project-financing arrangements. The company's access to the capital markets and banks for corporate credit, project finance and tax equity remains strong. Committed corporate credit facilities for NextEra and FPL aggregated to approximately $22.3 billion as of March 31, 2025. Included in that total is $4.4 billion in unsecured facilities available to FPL, including $450 million available to issue letters of credit.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' 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. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

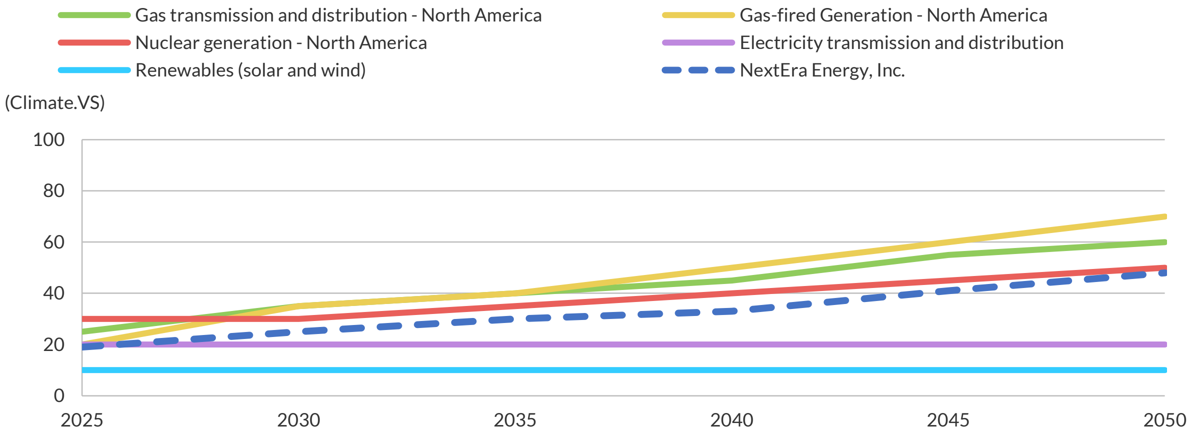
Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to credit-relevant climate transition risks and, therefore, require additional consideration of these risks in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's Corporate Rating Criteria. For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see Climate Vulnerability Signals for Non-Financial Corporate Sectors.

The 2024 asset-weighted Climate.VS for NEE for 2035 is 30 out of 100, based on 2024 data, suggesting low exposure to climate-related risks in that year. About 30% of NextEra's earnings and cash flows are derived from renewable generation assets, which includes solar, wind and battery storage, and a small proportion from nuclear generation. The remaining 70% of business mix comprise of FPL, an integrated utility in Florida, and low risk electrical transmission assets. FPL has exited its exposure to coal plants and is rapidly deploying solar and battery storage across its service territory. As a result, FPL's generation mix will rapidly change to cleaner generation over the next few years. Natural gas' share in total generation mix of FPL is expected to fall from 71% in 2024 to 42% in 2033. For further information on how we perceive climate-related risks in the utilities sector, see our Utilities -Long -Term Climate Vulnerability Signals Update report.

Climate.VS Evolution

As of Dec. 31, 2024



Source: Fitch Ratings

Liquidity and Debt Maturities

Liquidity Analysis

(USD Mil.)	December 31, 2023	December 31, 2024
Total cash and cash equivalents	3,420	1,402
Short-term investments	—	—
Less not readily available cash and cash equivalents	730	-85
Fitch-defined readily available cash and cash equivalents	**2,690**	**1,487**
Availability under committed lines of credit	11,066	16,742
Total liquidity	13,756	18,229
LTM EBITDA after associates and minorities	17,068	13,988
LTM FCF	-2,046	482

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

Scheduled Long-Term Debt Maturities

(USD Mil.)	December 31, 2024
2025	7,529
2026	2,830
2027	11,314
2028	7,427
2029	10,283
Thereafter	42,021
Total	**81,404**

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

Key Assumptions

- Weather normalized sales growth of approximately 1.0% at FPL over 2025-2027;
- Rate increases for FPL per 2021 rate order and constructive outcome in the 2025 rate case with new rates effective Jan. 1, 2026;
- Continued O&M costs control at FPL;
- Interest rate assumptions at FPL and NextEra of 5.5%, Hybrids at NextEra at 6.5%;
- Capex at regulated and non-regulated businesses of $86 billion over 2025-2027, split approximately 68% and 32% between the two businesses;
- Balanced funding mix at Capital Holdings including reliance on equity and equity-like instruments, tax equity, tax transfers and project debt among other sources;
- No change to IRA provisions including tax transferability over Fitch's forecast period;
- Limited commodity exposure and near-term interest rate exposure based on existing hedge position.

Summary of Financial Adjustments

Fitch allocates 50% equity credit to Capital Holdings' junior subordinated debentures. As of Dec. 31. 2024, Fitch has excluded $13.1 billion of non-recourse project debt and approximately $1.3 billion of related EBITDA, while including approximately $749 million of related cash distribution from NextEra's consolidated metrics to calculate adjusted FFO leverage.

Financial Data

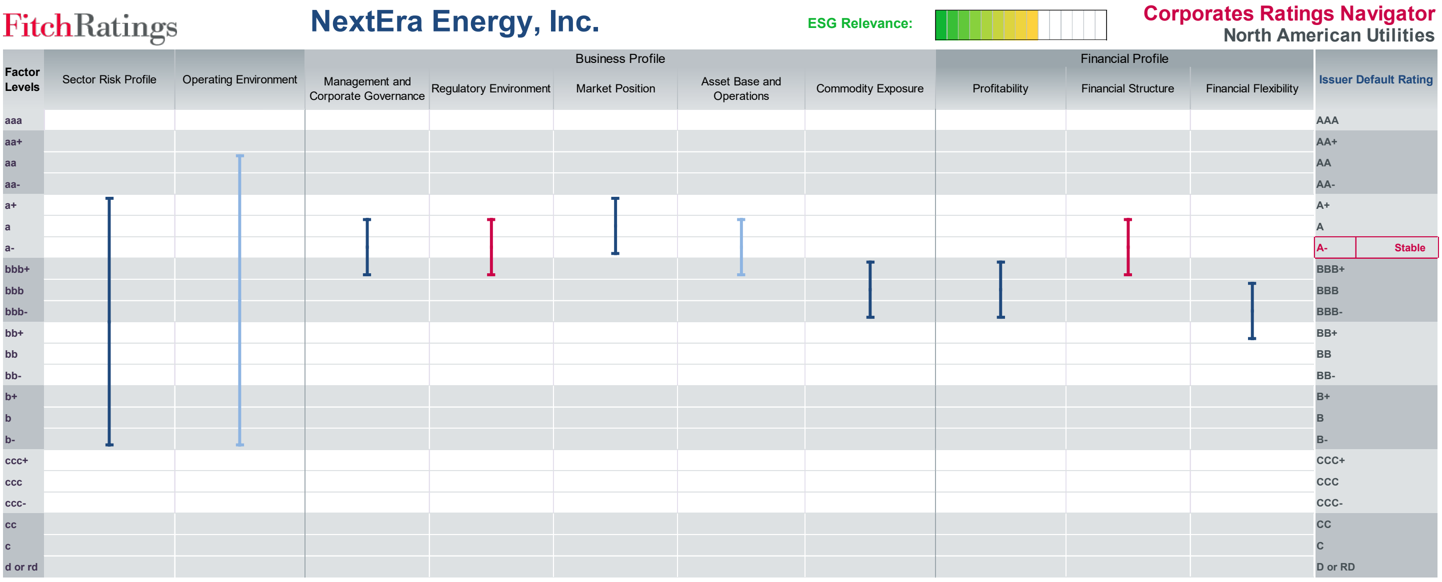
(USD Mil.)[a]	2021	2022	2023	2024	2025F	2026F
Summary income statement						
Gross revenue	17,069	20,956	28,114	24,753	27,602	28,211
Revenue growth (%)	-5.2	22.8	34.2	-12.0	11.5	2.2
EBITDA before income from associates	7,108	8,844	16,356	13,177	15,255	15,950
EBITDA margin (%)	41.6	42.2	58.2	53.2	55.3	56.5
EBITDA after associates and minorities	7,634	9,385	17,068	13,988	15,585	16,350
EBIT	2,908	4,071	10,222	7,445	8,189	8,598
EBIT margin (%)	17.0	19.4	36.4	30.1	29.7	30.5
Gross interest expense	-1,404	-747	-3,619	-2,640	-4,600	-5,403
Pretax income including associate income/loss	3,175	3,832	7,288	6,037	5,450	5,480
Summary balance sheet						
Readily available cash and equivalents	639	1,601	2,690	1,487	70	167
Debt	53,369	63,551	71,922	80,113	88,821	101,525
Net debt	52,730	61,950	69,232	78,626	88,751	101,357
Summary cash flow statement						
EBITDA	7,108	8,844	16,356	13,177	15,255	15,950
Cash interest paid	-1,457	-1,537	-2,758	-3,142	-4,600	-5,403
Cash tax	69	32	-321	760	1,446	2,234
Dividends received less dividends paid to minorities (inflow/outflow)	526	541	712	811	330	400
Other items before FFO	1,535	3	-2,758	224	800	700
FFO	7,782	7,883	11,231	11,830	13,231	13,881
FFO margin (%)	45.6	37.6	39.9	47.8	47.9	49.2
Change in working capital	-214	362	53	1,401	920	428
CFFO (Fitch-defined)	7,568	8,245	11,284	13,231	14,151	14,310
Total non-operating/nonrecurring cash flow	—	—	—	—	—	—
Capex	-15,295	-9,742	-9,548	-8,514	—	—
Capital intensity (capex/revenue) (%)	89.6	46.5	34.0	34.4	—	—
Common dividends	-3,024	-3,352	-3,782	-4,235	—	—
FCF	-10,751	-4,849	-2,046	482	—	—
FCF margin (%)	-63.0	-23.1	-7.3	2.0	—	—
Net acquisitions and divestitures	-782	—	924	—	—	—
Other investing and financing cash flow items	5,067	-8,932	-11,600	-14,186	—	—
Net debt proceeds	6,663	14,446	8,187	11,638	9,958	14,204
Net equity proceeds	14	1,460	4,514	48	2,100	1,275
Total change in cash	211	2,125	-21	-2,018	-1,417	98
Calculations for forecast publication						
Capex, dividends, acquisitions and other items before FCF	-19,101	-13,094	-12,406	-12,749	-28,954	-33,339
FCF after acquisitions and divestitures	-11,533	-4,849	-1,122	482	-14,802	-19,029
FCF margin after net acquisitions (%)	-67.6	-23.1	-4.0	2.0	-53.6	-67.5
Gross Leverage ratios (x)						
EBITDA leverage	7.0	6.8	4.2	5.7	5.7	6.2
FFO leverage	5.8	6.7	5.1	5.4	5.0	5.3
(CFFO-capex)/debt	-14.5	-2.4	2.4	5.9	-14.2	-16.9
Net Leverage ratios (x)						
EBITDA net leverage	6.9	6.6	4.1	5.6	5.7	6.2
FFO net leverage	5.7	6.6	4.9	5.3	5.0	5.3
(CFFO-capex)/net debt	-14.7	-2.4	2.5	6.0	-14.2	-16.9
Coverage ratios (x)						
EBITDA interest coverage	5.2	6.1	6.2	4.5	3.4	3.0
FFO interest coverage	6.3	6.1	5.1	4.8	3.9	3.6
FFO fixed-charge coverage	6.3	6.1	5.1	4.8	3.9	3.6

[a] Based on consolidated financial information, inclusive of limited recourse entities. CFFO – Cash flow from operations.
Source: Fitch Ratings, Fitch Solutions

How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Ratings Navigator



Bar Chart Legend:	
Vertical Bars = Range of Rating Factor	Bar Arrows = Rating Factor Outlook
Bar Colors = Relative Importance	⇧ Positive
Higher Importance	⇩ Negative
Average Importance	⇳ Evolving
Lower Importance	☐ Stable

FitchRatings

NextEra Energy, Inc.

Corporates Ratings Navigator
North American Utilities

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.
	Systemic Governance	aa	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'aa'.
b-			
ccc+			

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			

Regulatory Environment

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.

Market Position

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.

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			

Commodity Exposure

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

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 Structure

a+	EBITDA Leverage	bbb	3.75x
a	FFO Leverage	bbb	5.0x
a-			
bbb+			
bbb			

Financial Flexibility

bbb+	Financial Discipline	bbb	Less conservative policy, but generally applied consistently.
bbb	Liquidity	bb	Liquidity ratio around 1.0x. Less smooth debt maturity or concentrated funding.
bbb-	FFO Interest Coverage	bbb	4.5x
bb+			
bb			

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.

Credit-Relevant ESG Derivation

NextEra Energy, Inc. has 12 ESG potential rating drivers

- Emissions from operations
- Fuel use to generate energy and serve load
- Impact of waste from operations
- Plants' and networks' exposure to extreme weather
- Product affordability and access
- Quality and safety of products and services; data security

Showing top 6 issues

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

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

FitchRatings

NextEra Energy, Inc.

Corporates Ratings Navigator
North American Utilities

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

ESG Relevance to Credit Rating

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) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	3	Emissions from operations	Asset Base and Operations; Commodity Exposure; Regulatory Environment; Profitability	5
Energy Management	3	Fuel use to generate energy and serve load	Asset Base and Operations; Commodity Exposure; Profitability	4
Water & Wastewater Management	2	Water used by hydro plants or by other generation plants, also effluent management	Asset Base and Operations; Regulatory Environment; Profitability	3
Waste & Hazardous Materials Management; Ecological Impacts	3	Impact of waste from operations	Asset Base and Operations; Regulatory Environment; Profitability	2
Exposure to Environmental Impacts	3	Plants' and networks' exposure to extreme weather	Asset Base and Operations; Regulatory Environment; Profitability	1

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
Human Rights, Community Relations, Access & Affordability	3	Product affordability and access	Asset Base and Operations; Regulatory Environment; Profitability; Financial Structure	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Quality and safety of products and services; data security	Regulatory Environment; Profitability	4
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction	Asset Base and Operations; Profitability	3
Employee Wellbeing	2	Worker safety and accident prevention	Profitability; Asset Base and Operations	2
Exposure to Social Impacts	3	Social resistance to major projects that leads to delays and cost increases	Asset Base and Operations; Profitability	1

How to Read This Page
ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.
The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.
The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.
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), the Sustainability Accounting Standards Board (SASB), and the World Bank.

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance	5
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance	4
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance	3
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance	2
				1

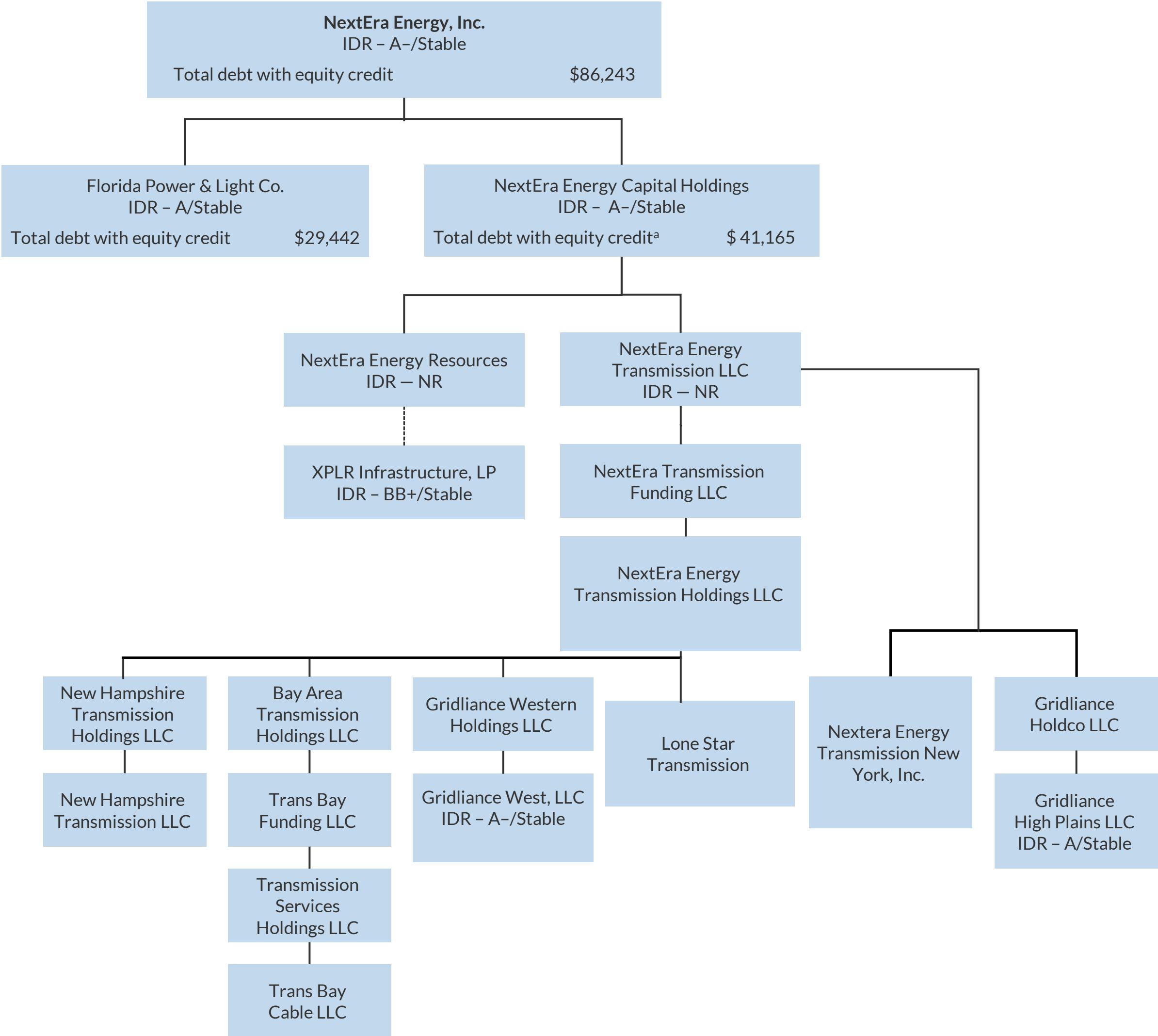
CREDIT-RELEVANT ESG SCALE

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 "lower" 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.
USD Mil., as of March 31, 2025



[a]50% equity credit at NextEra Energy Capital Holdings for junior subordinated debt.
IDR – Issuer Default Rating. NR – Not rated.
Note: Fitch does not consolidate XPLR (similar to the accounting treatment that NextEra Energy follows). As a result, XPLR debt is not included in NextEra Energy total debt.
Source: Fitch Ratings, Fitch Solutions, NextEra Energy, Inc.

Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	Gross revenue (USD Mil.)	FFO (USD Mil.)	FFO interest coverage (x)	FFO leverage (x)	EBITDA leverage (x)
NextEra Energy, Inc.	A–						
	A–	2024	24,753	11,830	4.8	5.4	5.7
	A–	2023	28,114	11,231	5.1	5.1	4.2
	A–	2022	20,956	7,883	6.1	6.7	6.8
Dominion Energy, Inc.	BBB+						
	BBB+	2024	14,330	4,168	3.1	6.4	6.3
	BBB+	2023	14,393	5,435	3.5	6.5	7.3
	BBB+	2022	17,174	6,154	5.1	5.7	6.1
Sempra	BBB+						
	BBB+	2024	13,185	4,649	3.8	5.1	6.5
	BBB+	2023	16,720	4,361	3.9	5.1	5.9
	BBB+	2022	14,439	4,903	5.3	4.6	6.6
The Southern Company	BBB+						
	BBB+	2024	26,724	8,162	4.1	5.7	5.0
	BBB+	2023	25,253	7,430	4.2	6.0	5.5
	BBB+	2022	29,279	5,860	4.2	7.0	5.6

Source: Fitch Ratings, Fitch Solutions

Fitch Adjusted Financials

(USD Mil., as of December 31, 2024)	Notes and formulas	Standardized values	Fair value and other debt adjustments	Lease treatment	Other adjustments	Adjusted values
Income statement summary						
Revenue		24,753	—	—	—	24,753
EBITDA	(a)	13,240	—	-63	—	13,177
Depreciation and amortization		-5,761	—	29	0	-5,732
EBIT		7,479	—	-34	0	7,445
Balance sheet summary						
Debt	(b)	79,372	741	—	—	80,113
Of which other off-balance-sheet debt		—	—	—	—	—
Lease-equivalent debt		—	—	—	—	—
Lease-adjusted debt		79,372	741	—	—	80,113
Readily available cash and equivalents	(c)	1,487	—	—	—	1,487
Not readily available cash and equivalents		-85	—	—	—	-85
Cash flow summary						
EBITDA	(a)	13,240	—	-63	—	13,177
Dividends received from associates less dividends paid to minorities	(d)	811	—	—	—	811
Interest paid	(e)	-2,737	—	34	-439	-3,142
Interest received	(f)	—	—	—	—	—
Preferred dividends paid	(g)	—	—	—	—	—
Cash tax paid		760	—	—	—	760
Other items before FFO		1,186	—	—	-962	224
FFO	(h)	13,260	—	-29	-1,401	11,830
Change in working capital		—	—	—	1,401	1,401
CFFO	(i)	13,260	—	-29	0	13,231
Non-operating/nonrecurring cash flow		—	—	—	—	—
Capex	(j)	-8,514	—	—	—	-8,514
Common dividends paid		-4,235	—	—	—	-4,235
FCF		511	—	-29	-0	482
Gross leverage (x)						
EBITDA leverage	b/(a+d)	5.7	—	—	—	5.7
FFO leverage	b/(h-e-f-g)	5.0	—	—	—	5.4
(CFFO-capex)/debt (%)	(i+j)/b	5.9	—	—	—	5.9
Net leverage (x)						
EBITDA net leverage	(b-c)/(a+d)	5.6	—	—	—	5.6
FFO net leverage	(b-c)/(h-e-f-g)	4.9	—	—	—	5.3
(CFFO-capex)/net debt (%)	(i+j)/(b-c)	6.0	—	—	—	6.0
Coverage (x)						
EBITDA interest coverage	(a+d)/(-e)	5.1	—	—	—	4.5
FFO interest coverage	(h-e-f-g)/(-e-g)	5.8	—	—	—	4.8

CFFO – Cash flow from operations
Notes: The standardized items presented above are based on Fitch's taxonomy for the given sector and region.
Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly.
Debt includes other off-balance-sheet debt.
Source: Fitch Ratings, Fitch Solutions, NextEra Energy, Inc.

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