

Analysts

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Basic Issuer Information

Issuer NextEra Energy, Inc
Equity Ticker NEE
Corporate Ticker NEE Inc.
Credit Rating (M/S/F) (A-/Baa1/A-)
Country of Risk US
Sector Utilities

1Y Price vs Relative Index (Rebased to 100)

Company Description

NextEra Energy, Inc is one of the largest electric utilities companies in the US. Composing of 2 principal businesses in Florida Power & Light Company (FPL) and NextEra Energy Resources and NextEra Energy Transmission (collectively known as NEER), the company operates in the US. It has been a constituent of the S&P500 since 1976.

FPL is the largest rate-regulated electric utility in Florida. NEER focuses on producing and managing renewable energy generation facilities and is currently North America's largest producer of wind and solar energy.

Key Financial Figures

(USD in millions)	FY19A	FY20A	FY21E	FY22E
Revenue	19,204	17,997	19,982	22,330
Gr Rate (%)	14.8	(6.3)	11.0	11.7
EBIT	6,085	4,363	5,697	7,057
Margin (%)	31.7	24.2	28.5	31.6
ROA (%)	3.2	2.3	2.9	3.2
ROIC (%)	4.1	4.0	3.2	3.6
Debt to Asset Ratio	36.2	37.7	41.8	43.3

Key Executives

James L. Robo Chairman & CEO, NEE
John W. Ketchum President & CEO, NEER
Eric Silagy President & CEO, FPL
Rebecca J. Kujawa Chief Financial Officer

(Refer to Appendix Figure B for the Full List)

Sustainable Outlook for a Greener Tomorrow
Recommendations

We are initiating coverage of NextEra Energy, Inc (NYSE: NEE). We have given an issuer profile rating of "overweight" to NEE's credit outlook. We will be focusing on FPL 2038 5.950%, FPL 2042 3.800%, NEECH 2024 3.150% and FPL 2025 3.125% which are issuances of NEE's subsidiaries.

Recent Developments

- FPL has been aggressively ramping up its solar energy generating capacity with the near completion of the FPL Manatee Energy Storage Center and being well ahead of schedule for its 30 by 30 plan (30 million solar panels by 2030 plan).
- Total backlog of signed contracts hit an all-time high of 18,100MW.
- The approval of FPL's 4-Year Base Rate Settlement Agreement increases retail base revenue every year till 2025 and supports their rollout of renewables projects.

Key Credit Considerations

Apart from increasing leverage in the short term to fund its transition towards renewable energy sources, NEE is poised to maintain its position as a leading utility provider in North America. Riding on the decarbonisation trend, NEE's leading portfolio of renewable energy infrastructure coupled with a forward-thinking corporate strategy will allow it to seize market opportunities and remain relevant. In the long-term, we expect NEE's credit strength to gradually strengthen.

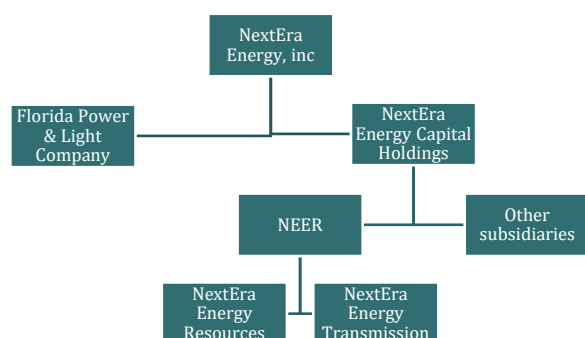
Credit Positives

- FPL and NEER continue to expand into renewable energy, which is cheaper to generate in the long term, providing operational savings. Stable cash flow is supported by already increasing operating cash flow arising from operating efficiencies and large contract backlogs to fulfil.
- Forward-thinking corporate strategy to transition towards renewable energy since 2002 has turned NEE into a renewable utilities' giant possessing economies of scale that has lower utility pricing as well as building and operating costs.
- Well-positioned to expand into a myriad of industries such as manufacturing and transportation through its investments in green hydrogen technology and battery storage.
- Boasts a resilient supply chain through active diversification of major suppliers that has allowed future corporate plans and costs to carry on unaffected despite the ongoing global supply chain shortages and country-specific tariffs.

Credit Negatives

- Apart from utilities being a capital-intensive business, NEE's aggressive investments to expand its renewables generation and energy storage capabilities are fueled by increasing leverage.
- Favorable government policies enjoyed by NEE such as tax credits increase the profitability of building and operating renewable energy plants. Moreover, NEE derives the bulk of its revenue from regulated utilities with rates determined by the authorities. Hence, we note that its business model is exposed to regulatory risks.
- NEE is largely dependent on generating revenue from retail customers in Florida. Therefore, there is pressure to continue expanding its customer base to sustain long-term revenue growth.

Figure 1: NextEra's Organizational Structure



Source: NEE 2020 Annual Report

Figure 2: NEE's Top 10 Owner (as of 16 Dec 21)

Stockholder	Stake	Shares Owned	Total value (USD)
The Vanguard Group, Inc.	8.61%	168,965,080	14,662,789,642
SSgA Funds Management, Inc.	5.06%	99,293,778	8,616,714,055
BlackRock Fund Advisors	4.90%	96,217,598	8,349,763,154
JPMorgan Investment Management, L...	1.91%	37,388,500	3,244,574,030
T. Rowe Price Associates, Inc. (I...	1.81%	35,465,616	3,077,706,156
Geode Capital Management LLC	1.59%	31,125,867	2,701,102,738
Norges Bank Investment Management	1.55%	30,473,258	2,644,469,329
Northern Trust Investments, Inc.(...	1.23%	24,164,768	2,097,018,567
Managed Account Advisors LLC	1.18%	23,077,491	2,002,664,669
Wells Fargo Clearing Services LLC	1.08%	21,210,436	1,840,641,636
Total	28.92%	567,382,392	49,237,443,976

Source: CNN

Company Overview

Founded in 1925 and headquartered in Florida, NextEra Energy, Inc (NEE) is one of the largest electric power and energy infrastructure companies in North America and is positioned at the forefront of the renewable energy industry. NEE consists of two principal businesses, Florida Power & Light Company (FPL), and an operating segment combining both NextEra Energy Resources and NextEra Energy Transmission (collectively known as NEER).

NEE is publicly listed on the New York Stock Exchange and is a constituent stock of the S&P 500. As of 7th December 2021, NEE has a market capitalization of USD173.85bn.

The main competitors of NEE in the electric utility industry are Duke Energy, Southern, Dominion Energy, Exelon, and American Electric.

Principal Businesses

FPL is a rate-regulated electric utility engaged primarily in the generation, transmission, distribution, and sale of electric energy in Florida & Northwest Florida, respectively. Having merged with Gulf Power on 1st January 2021, FPL now enjoys a customer base of more than 5.6 million customer accounts. Their main customers are retail customers followed by commercial customers, with a limited number of wholesale customers within Florida as well. In contrast to NEER, more than 80% of FPL's 28,400-megawatt (MW) net generating capacity is derived largely from traditional sources such as natural gas.

NEER is centred on the development, construction, and operation of long-term contracted assets throughout the U.S. and Canada, with a focus on renewable energy solutions such as renewable energy generation and transmission facilities and battery storage projects. Its main customers are wholesale electricity markets. In contrast to FPL, 90% of its 23,370 MW of net generating capacity is fuelled largely by renewable energy sources such as wind and solar.

Revenue & Operating Income by Principal Businesses

FPL has consistently shown to be the bigger of the two principal businesses in terms of revenue, with FPL making up 64% of NEE's operating revenue and 74% of NEE's operating income in 2020.

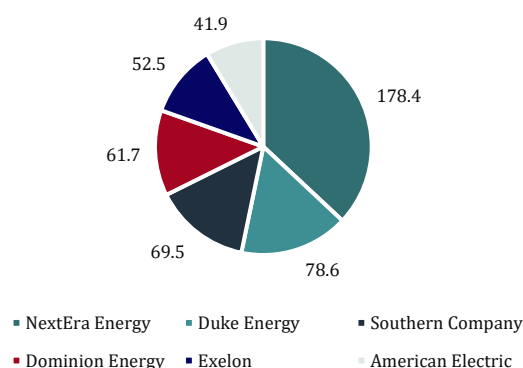
Ownership & Management

Management of NEE

The current Chairman, President, and Chief Executive Officer of NEE is Mr James L. Robo, who has held this position since 2012. Having previously held the position of Chief Operating Officer of NEE, President of NEER, and Vice President of corporate development and strategy, he has been with the company since 2002. Mr Robo is the only management director in a 13-member board, with the rest being independent directors.

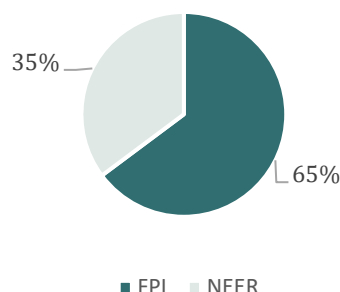
The current President and Chief Executive Officer of FPL is Mr Eric E. Silagy, who also sits on the board of the Chamber of Commerce of the United States of America, the largest lobbying group in the United States. Mr Silagy also sits on the board of Enterprise Florida Inc, a public-private partnership between Florida's business and government leaders to improve the economy of Florida.

Figure 3: Market Capitalization of Top 6 U.S Electric Utilities Company (USD mn)



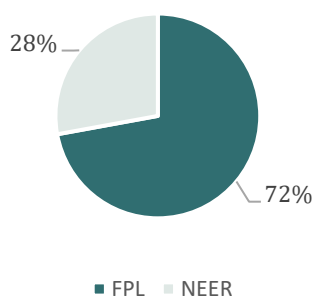
Source: Yahoo Finance

Figure 4: Revenue Breakdown by Principal Business



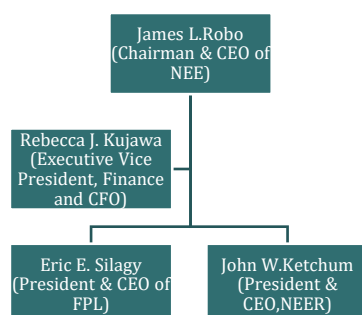
Source: NEE 2020 Annual Report

Figure 5: Operating Profit by Principal Business



Source: NEE 2020 Annual Report

Figure 6: Key Management Officers



Source: NEE 2020 Annual Report

The current President and Chief Executive Officer of NEER is Mr John W. Ketchum, who has served in a variety of management roles across NEE since joining in 2002.

As a utility player in an industry heavily influenced by governmental policies, NEE has a very active corporate political engagement strategy, it incurred an average total lobbying expenditure of USD3.45mn in the past 5 years and USD3.94mn in 2020, a figure only bettered by 6 other industry players.

Shareholders of NEE

Almost 80% of the NEE shares are held by institutional investors, with the top 3 stockholders being The Vanguard Group, Inc (8.61%), SSgA Funds Management, Inc (5.06%), and BlackRock Fund Advisors (4.90%). Insiders only hold 0.16% of total shares outstanding.

Subsidiaries of NEE

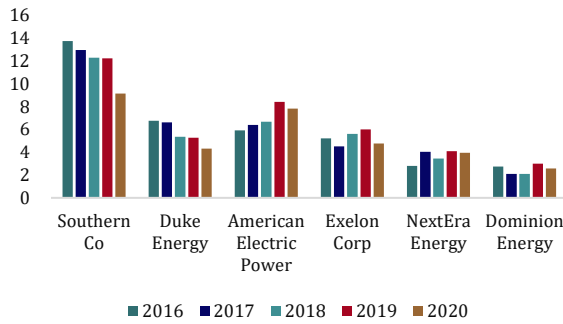
Aside from FPL and NEER, NEE also owns, under NextEra Energy Capital Holdings, Inc, 1,369 other smaller subsidiaries that operate in the United States and 152 smaller subsidiaries that operate in foreign countries.

Industry Outlook

Shift towards Renewable Energy & Decarbonization

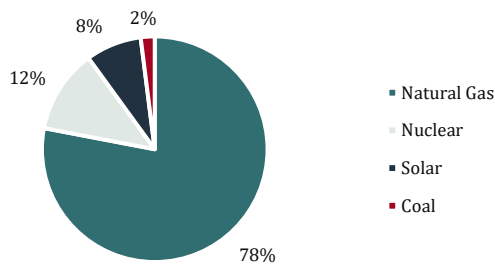
The movement towards embracing renewable energy gained traction after the Paris Agreement was adopted by nearly 200 countries in 2016, with many countries implementing policies that will favour the adoption of renewable energy and the gradual shifting out of traditional sources of energy such as coal. The United States of America (US) was slow in the embrace of renewable energy under the tenure of President Donald Trump, but the election of President Joe Biden has given new impetus towards the shift to renewable energy, with Biden Administration setting a goal of 80% renewable energy use by 2030 and has offered generous tax credits for electricity generated by qualified renewable energy resources. At the end of 2020, the US Congress extended the Production Tax Credits (PTC) and Investment Tax Credits (ITC), which amounts up to 60% and 26% of the cost of a new wind and solar facility respectively, for one more year into 2021. The credits are slated to be extended for another one year in 2022, subjected to approval by Congress. Such tax incentives are likely to be continued. In the draft legislation of the Build Back Better Act, the committee has called for an extension and expansion of such clean energy tax incentives for another decade, in what would be a boost for the renewables energy sector. NEER has taken advantage of such incentives thus far, with NEER's PTC and ITC amounting to USD274 mn and USD283mn in FY2019 and FY2020 respectively. The green movement trend has also spurred green financing, with both the US private and public sector contributing an annual average of USD74bn to the cause, which is a 300% increase from 2014. Most of the investments (81%) are centred on renewable energy generation involving wind and solar. The emergence and growth of new industries such as the electric vehicle industry because of the shift towards renewable energy also has a trickle-down effect on the electric utility industry, with many Utility companies are ramping up construction of renewable energy storage facilities as well as mobile battery storages to take advantage of electrification of transportation and charging infrastructure.

Figure 7: Lobbying Expenditures of Top 6 U.S Electric Utilities Companies by Market Capitalization (USD mn)



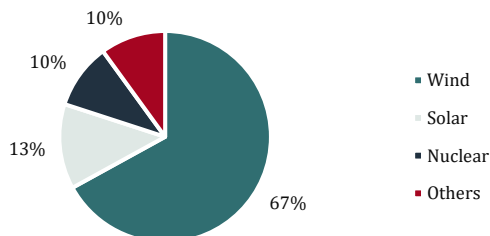
Source: OpenSecrets.org

Figure 8: FPL's Net Generating Capacity by Fuel Type (MW)



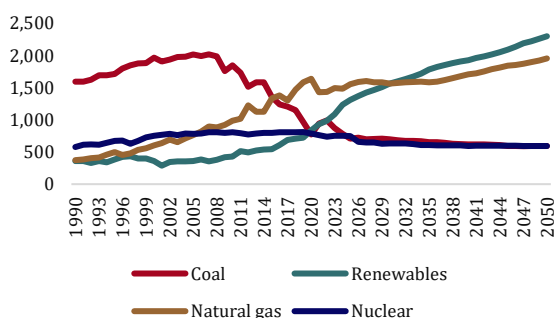
Source: NEE 2020 Annual Report

Figure 9: NEER's fuel sources



Source: NEE 2020 Annual Report

Figure 10: Projected U.S Energy Generation by fuel source (billion KWH)



Source: U.S Energy Information Administration

Increased Competition in the Renewable Energy Sector

The Federal Energy Regulatory Commission has opened Wholesale Markets to Distributed Resources, hence allowing distributed energy resource (DER) aggregators, who often produce from renewable energy sources, to compete in all regional organized wholesale electric markets.

Energy Crunch Crisis sees a resurgence in traditional energy sources

While the trend of shifting towards renewable energy is showing no signs of abating, the energy crunch crisis at the end of 2021 which was mainly caused by a lack of supply to meet demand has reminded the industry that the traditional energy sources such as natural gas and coal cannot be phased out as quickly as it had. On the contrary, the quick phasing out of such energy sources has caused rising energy prices and disrupted the overall supply of energy. Natural gas, which still supplies more than 30% of electricity in the US, has seen a doubling in price in 2021 to USD5 per million British Thermal Units (BTU), with the price of coal up a whopping 400% 2021. With the energy crunch crisis set to continue into next year, traditional energy sources may still see relevance in the near future.

Financial Analysis

Overview:

The table on the left shows NEE's historic and projected financial performance from FY2018 to FY2023. In summary, although NEE's key financial ratios deteriorated slightly due to its aggressive CAPEX into renewable energy generation, the Group's financial position remains sound.

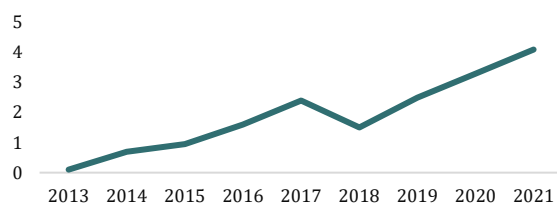
Fluctuating Profitability Metrics

NEE's 3-year historical operating profit margins averaged 27.71%, with net profit fluctuating due to government policy and corporate restructuring. In 2017, net profit margins rose significantly due to The Tax Cuts and Jobs Act, which saw the Company's federal tax rate decrease from 35% to 21%. In 2018, the deconsolidation of NEE's subsidiary NextEra Partners (NEP) saw net profit exceed gross profit due to recognition of NEE's ownership interest in NEP. Since then, profit margins remained relatively stagnant, with net profit margins decreasing in 2020 due to impairment losses from NEER's Mountain Valley pipeline. Going forward, we expect a gradual increase in NEE's profit margins due to long-term population flows into Florida. Furthermore, the recent extension of PTC for wind energy would significantly lower NEE's tax expense given its leadership in wind energy generation, improving net profit margins.

FPL Profitability Growth Remained Strong

The Florida Power State Commission sets an allowed ROE range for FPL during the aforementioned rate agreement dependent on FPL's revenue requirement. Any ROE between the middle and upper bound of FPL's allowed ROE represents additional profit earned by FPL over its regulated net income. FPL's 5-year historical actual ROE consistently exceeded the middle bound of its ROE range by an average of 1.12x, attesting to FPL's ability to generate profit.

Figure 11: Green-Labeled Bonds As A Percentage Of The Total U.S Municipal Market (%)



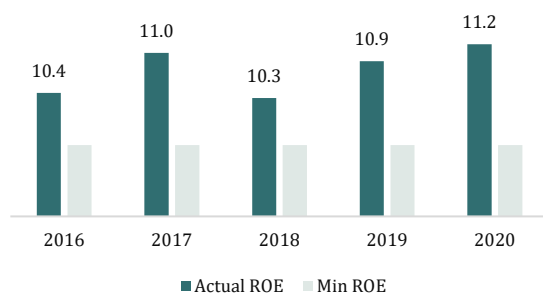
Source: S&P Global

Figure 12: Table of NEE's Financial Ratios

	2018A	2019A	2020A	2021F	2022F	2023F
Profitability						
Operating Profit Margin (%)	26.3	28.2	28.7	28.3	31.5	35.5
Net Profit Margin (%)	39.7	19.6	16.2	20.0	22.3	23.9
ROA	6.4	3.2	2.3	2.9	3.2	3.4
ROE	17.5	9.0	6.5	8.7	10.3	11.0
Liquidity						
Quick ratio	0.3	0.4	0.4	0.4	0.3	0.4
Current ratio	0.4	0.5	0.5	0.5	0.3	0.5
Cash ratio	0.0	0.0	0.1	0.0	0.0	0.0
Solvency						
Total Debt / Total Assets (%)	36.4	36.2	37.7	41.8	43.3	44.2
Total Debt / Total Equity (%)	110.4	115.1	131.7	155.0	168.3	171.7
Net Debt / Total Equity (%)	108.6	113.5	128.6	152.9	166.4	170.4
Net Debt / EBITDA	2.9	4.1	5.6	6.0	6.1	6.4
EBIT / Interest Expense	5.9	2.7	2.2	3.8	4.2	3.7
CFO / Total Debt	0.2	0.2	0.2	0.1	0.1	0.1
Efficiency						
Asset Turnover	0.2	0.2	0.1	0.1	0.2	0.1
Receivables Turnover	5.9	6.6	6.2	6.4	6.5	6.3
Payables Turnover	6.0	6.4	4.4	4.7	5.4	5.2

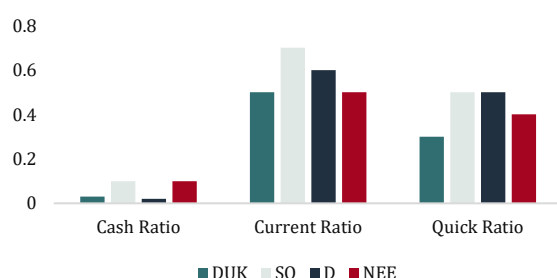
Source: Team Estimates

Figure 13: FPL's Actual ROE Compared to Middle-Bound of Regulated ROE



Source: Team Estimates

Figure 14: NEE's and Peer Competitors Liquidity Ratios



Source: FactSet

Stagnant Liquidity Ratios

NEE has a cash, current, and quick ratio of 0.07, 0.48, and 0.38 respectively, which is in line with its industry peers such as DUK and SO. These liquidity ratios have been relatively consistent over the past five years due to the capital intensive and regulated nature of the US utility industry. With FPL's rate agreement extending FPL's access to storm credit facilities, we expect liquidity ratios to remain stagnant despite worsening weather conditions in Florida.

NEE Remains Solvent with Elevated Leverage Ratios

Total debt increased over the past five years as the Group leveraged on its strong credit rating to finance its investments into renewable energy. Consequently, total debt to total assets rose from 36.37% in 2018 to 37.66% in 2020. Net debt to equity also rose from 108.58% in 2018 to 128.61% in 2020, highlighting the Group's increasing financial leverage. Despite this, the Group's EBIT to Interest Expense remained relatively constant from 2019 to 2020, showing that the Group's investments have been generating adequate returns. Furthermore, the Group's Cash from Operations to Total Debt ratio remained stagnant, highlighting the operational feasibility of the Group's business model. Going forward, we project that EBIT to Interest Expense would increase to an average of 3.74x assuming the Group's funding interest rate remains constant.

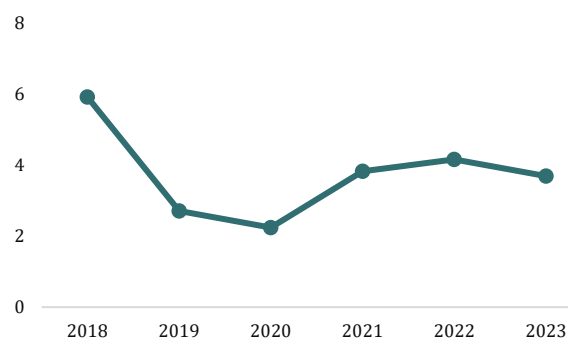
Strengthening Efficiency Ratios as Demand for Renewable Energy Increases

NEE has taken advantage of rising demand from large-scale utilities for clean energy to improve the efficiency of its operations. In particular, NEE has seen large increases in long-term renewable energy contracts, which due to the high switching costs within the utilities industry, decreases the bargaining power of NEE's customers. Consequently, NEE's net operating cycle dropped from 11 days in 2018 to negative 22 days in 2020. This implies that NEE's suppliers are effectively funding its operations.

Low Refinancing Risk

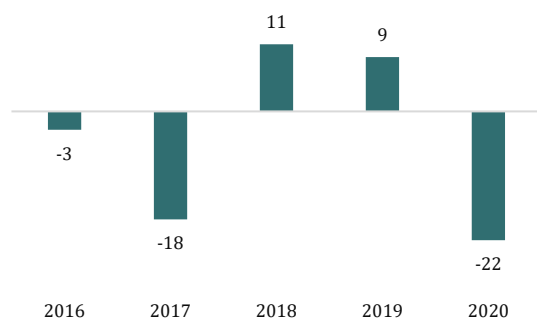
As of Q3 2021, the Group's total capital resources was approximately USD14.40bn, including approximately USD692mn of cash and cash equivalents and approximately USD13.71bn of undrawn credit facilities. All refinancing of borrowings due in FY2021 has been taken care of. NEE provides an unconditional guarantee for NextEra Energy Capital Holdings (NEECH) debt, which makes up the majority of NEE's consolidated debt. Based on the Group's debt maturity timeline, the main source of refinancing risk is within the next two to five years, when USD12.31bn of debt is due. Included in this debt is USD6bn of equity units, which requires the holder to purchase NEE common stock at a fixed amount by 2023. The amount of shares obtained is guided by a share price range stated in the contract. Based on the management's past actions, the proceeds from this transaction would go towards debt repayment. Coupled with NEE's large scale and investment-grade profile, we believe refinancing risk for NEE would be relatively low.

Figure 15: EBIT to Interest Expense Ratio



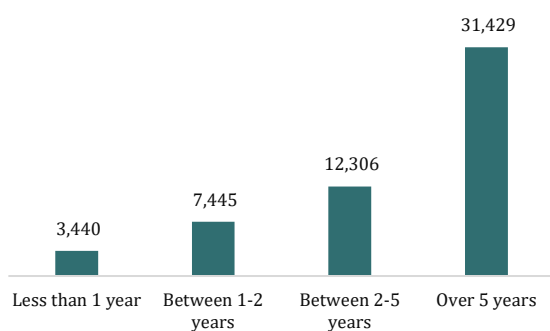
Source: FactSet

Figure 16: Net Operating Cycle (Days)



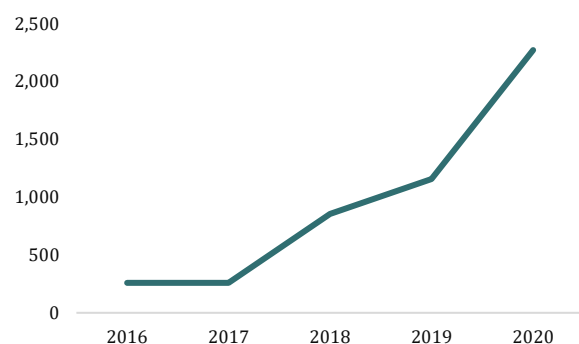
Source: FactSet

Figure 17: Debt Maturity Timeline (USD bn)



Source: Team Estimates

Figure 18: FPL Solar Generating Capacity (MW)



Source: NEE 3Q2021 Report

Recent Developments

1. Increase in FPL's solar capabilities

FPL has been aggressively building its solar capabilities and is reaping the rewards. The 409 MW FPL Manatee Energy Storage Center, which will be the world's largest integrated solar-powered battery system once completed, is now more than 75% complete as of Q3 and will begin serving customers by the end of this year. FPL has also surpassed 40% completion of its 30-by-30 plan in Q2 and remains ahead of schedule in Q3 while keeping its costs under budget. In the next year, FPL plans to install more than 15mn solar panels, which would see them exceed the 50% mark ahead of schedule. Their aggressive solar rollout has seen FPL increasing its generating capacity to 2,640 MW of solar, which is more than any other utility company in the country.

2. Record Quarter of origination success for NEER

Q3 saw a record 2,160 MW of renewables and storage contracts added to NEER's backlog, which brings the total backlog of signed contracts to 18,100 MW, supporting their industry-leading long-term growth expectations and ensuring a constant stream of revenue. NEER is also bullish about its ability to secure more contracts, guiding for 22,675 MW to 30,000 MW of total signed contracts from 2021 to 2024.

3. Approval of FPL 4-Year Base Rate Settlement Agreement

The approval of new electric base rates by the Florida Public Service Commission is a major tailwind for NEE, with major elements including allowing for a retail base revenue increase every year till 2025, allowing regulatory ROE of 10.60% with a range of 9.70% to 11.70% and the ability to amortize depreciation reserve surplus up to \$1.45 bn. In addition, the agreement would directly support the largest solar buildout in the United States, including the construction of 16 million solar panels across more than 50 new sites. The Okeechobee hydrogen pilot project, which could one day unlock 100% carbon-free electricity that's available 24 hours a day, has also been authorized as part of the agreement. The benefits are also passed on to consumers, with a typical FPL residential customer bill is expected to remain well below the national average through 2025.

Issuer Credit Analysis

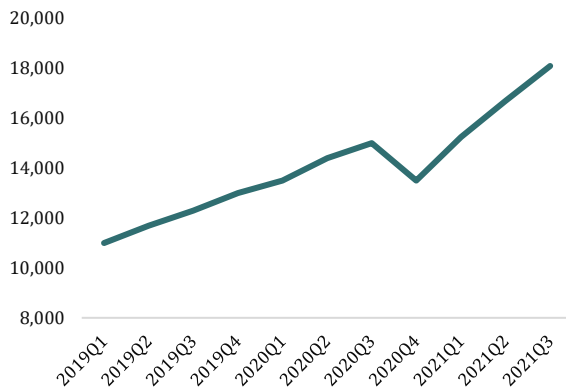
Positives

1. Expanding Clean Energy Generation Capabilities

NEE is currently a market leader with a renewable energy generation capacity (excluding nuclear and hydropower) of approximately 22 gigawatts (GW) through wind and solar energy sources. Through its renewables arm, NEER, it owns the world's largest wind and solar farms portfolio. NEE is also an energy storage leader in the United States with over 0.18 GW of battery storage. Moreover, NEE has been continuously expanding its renewable energy capacity and battery storage capabilities with 1.8 GW and 2.2 GW of renewables and energy storage capacity added in Q2 2021 and Q3 2021 alone.

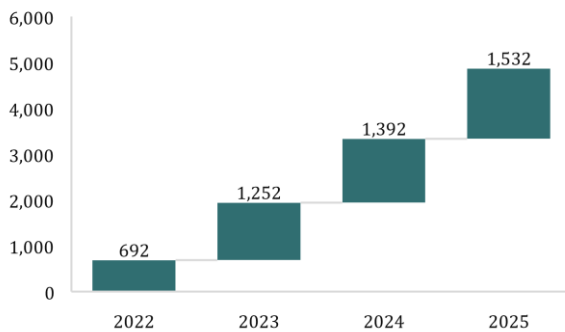
Apart from demand for renewable energy fueled by climate change pressures, renewable energy generation capacity in the US is expected to increase to around 540 GW.

Figure 19: NEER's Backlog of Signed Contracts (MW)



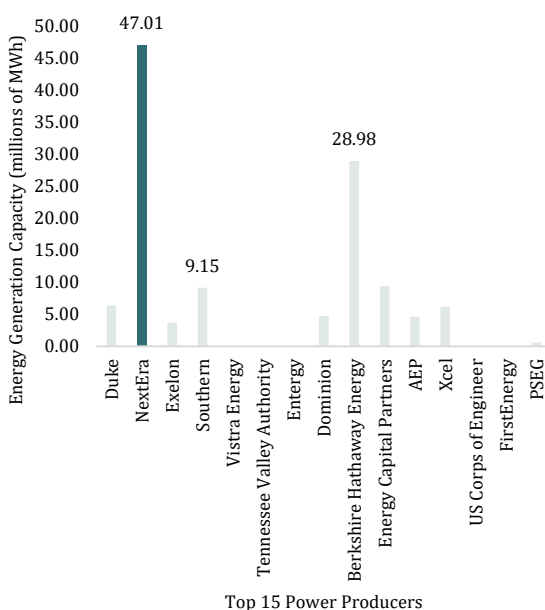
Source: NEE Quarterly reports

Figure 20: FPL Base Revenue Increase from Rate Agreement (USD mn)



Source: NEE 3Q2021 Report

Figure 21: Renewables Energy Generation Capacity among Top 15 Power Producers in the US in 2019 (MWh mn)



Source: MJ Bradley & Associates 2021 Report

On top of clean energy goals pledged during global conferences such as the COP26 Climate Change Conference, the US administration has set a clean energy plan of 80% renewables by 2030. This is backed by support from government policies with USD100bn set aside over the next 10 years for production tax credits and investment tax credits, reducing the cost of building and operating renewable energy projects. NEE is expected to capture almost 15% of US total renewables generation by 2024. Apart from government subsidies, private investments such as USD824mn from Apollo Global Management will accelerate NEE's expansion plans.

This aggressive expansion is underlined by the management's forward-looking long-term strategic plans which started as early as 2002 to shift towards renewable energy and phasing out less efficient and unclean sources such as coal.

NEE's strategic push towards renewable energy includes its 30-by-30 plan to install more than 30 million solar panels by 2030. Hence, NEE is poised to capture demand in the growing renewable energy market and retain its position as a market leader amidst the shift towards decarbonization.

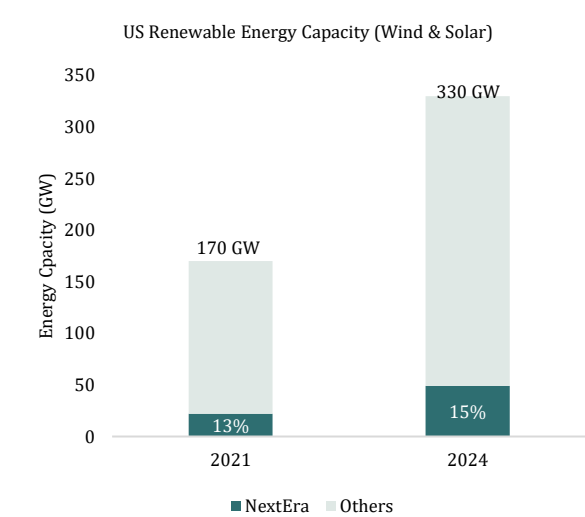
2. Giant Possessing Economies of Scale

Starting its green shift as early as 2002, NEE has a first-mover advantage in renewable energy relative to its competitors. A study by the University of Oxford revealed that energy utility giants are slow to shift towards renewable energy with a mere 10% expanding their renewable energy capacity faster than their non-renewable energy capacity. Apart from operational experience and expertise in delivering renewable energy to its customers, NEE leverages on its large portfolio of renewable energy, existing gas, and coal-fired energy facilities to deliver low-cost and cleaner energy to its customers. For example, NEE's prices to residential customers are 30% cheaper relative to the average in the United States. NEE has also secured a contract with Southwest Power Pool to tap on its experience to construct inter-state transmission lines.

With more than USD60bn of capital allocated towards investments to expand its generation capabilities and improve its service reliability from FY2019 to FY2022, NEE has achieved a service reliability that is 62% higher than the national average. By leveraging on economies of scale, NEE can deliver added value to customers through higher customer satisfaction and lower costs.

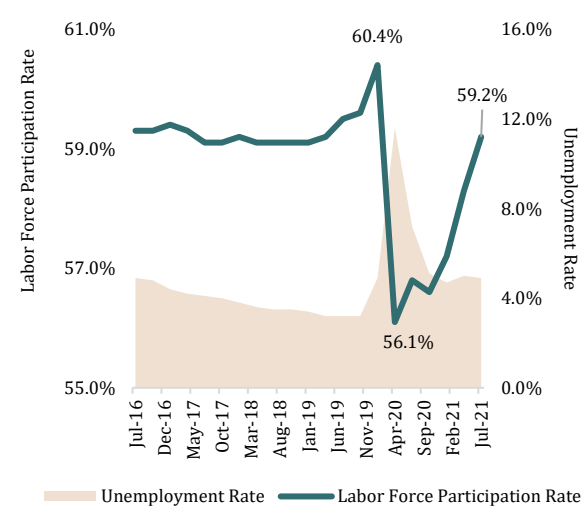
Furthermore, its scale has also allowed it to acquire long-term large contracts with both the government and corporations in the regulated-utilities industry. Its scale provides reassurance to customers who are concerned with the ability of the company to deliver on its energy commitments such as Google Energy. Through FPL, NEE has secured a four-year rate settlement agreement with the Florida Office of Public Counsel. This agreement will allow NEE to provide lower than national average electricity to Florida residents till 2025. It will provide NEE with USD692mn base and USD560mn base rate revenue increase in 2022 and 2033 respectively. The agreement will also support NEE's 30 by 30 expansion plan with new sites approved, continued access to clean energy investments and permission to provide electric vehicle infrastructure in existing service areas.

Figure 22: Projected NextEra's Share of Total Renewable Capacity by 2024 (GW)



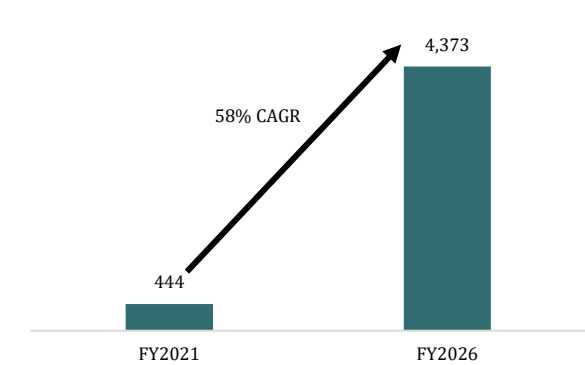
Source: Company Internal Estimates

Figure 23: Unemployment Rate and Labour Force Participation Rate in Florida, US



Source: U.S Bureau of Economic Analysis

Figure 24: Global Green Hydrogen Market Size (USD mn)



Source: ResearchAndMarkets.com

On top of its 16.7 GW of signed renewables and storage signed contract backlog, NEE has seen its number of average customers grow by 85,100 in Q3 2021 against Q3 2020.

Apart from providing added value to its customers, NEE's scale has allowed it to negotiate with its suppliers for favorable pricing and credit terms. This allows them to purchase, build and operate at a lower cost, an advantage that smaller rivals do not have. Coupled with its development expertise, NEE captured a 31% market share of all wind energy and battery storage power purchase agreements (PPA) in the US. This further increases NEE's profitability and allows it to maintain a competitive moat against other utility companies.

3. Opportunities to Expand into Myriad of Industries

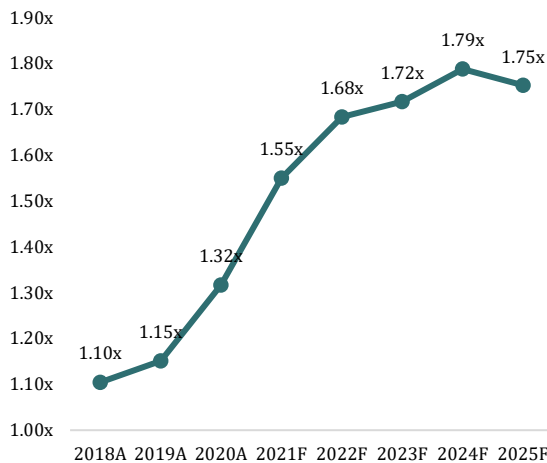
To further tap on the growing demand for renewable energy, NEE is expanding beyond providing cleaner electricity. NEE has made investments into green hydrogen pilot projects that includes building a 500 MW wind project for a hydrogen fuel cell plant and retrofitting its existing Okeechobee power plant to produce green hydrogen (hydrogen produced from clean energy sources) for commercial and industrial applications. Such applications include the electrification of vehicles. Excess energy from renewable energy sources can be channeled towards green hydrogen production. The green hydrogen market is expected to grow at a 39.4% CAGR from 2020 to 2025. Riding on the decarbonization of the economy, NEE will be able to penetrate a myriad of industries from transportation (shipping, trucking and aviation) to manufacturing (steelmaking and process heating) with its green hydrogen technology. Green hydrogen can also be used to decarbonize other industries in the economy. Transportation alone is expected to drive growth in the global green hydrogen industry from USD444mn in 2021 to USD4.4bn by 2026.

In addition, NEE is also expanding into battery and hydrogen storage with plans to invest USD420mn from 2019 to 2022, giving it the largest pipeline of battery storage projects in North America. NEE also has 31% market share for battery storage PPAs in 2020. From 2020 to 2050, it is expected that demand for renewables and energy storage will increase 20x, highlighting opportunities for NEE to serve. Given how renewable energy generation is not constant, battery storage allows energy produced to be stored for future and contingency use where there is low energy generation, especially among energy-intensive businesses. These storages facilitate the decarbonization of the economy by making it viable to rely on renewable energy. Therefore, NEE has many opportunities to grow its footprint in other industries to boost its business.

4. Resilient Supply Chain through Diversification

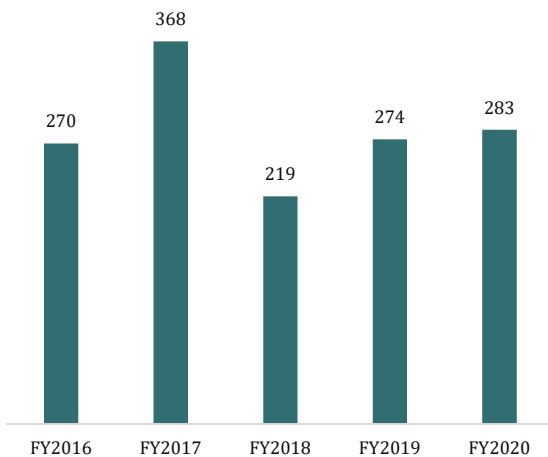
NEE has a diversified supply chain with 20 disclosed major suppliers that allow the company to be resilient against evolving macroeconomic events such as the ongoing supply chain and country-specific tariffs such as Section 101 Tariffs on imports from China. Hence, it is reported that the company's expansion plans are unscathed from the ongoing global supply chain crunch which has caused prices of raw materials to soar. Operational costs have declined approximately 17% from USD13.54 per retail MWh in FY2016 to USD11.21 per MWh in FY2020, highlighting operational efficiencies.

Figure 25: NEE's Gearing



Source: Company Data

Figure 26: NEER's Government Tax Credits (USD mn)



Source: Company Data

Figure 27: Average Monthly Retail Electricity Price in Residential Sector of Florida



Source: SEDS, EIA, U.S. Energy Information Administration

For solar panel modules alone, NEE has inked a supply deal from 2022 to 2023 with Trina Solar which has plants in the United States and Asia. From 2018, NEE also receives solar panel modules from JinkoSolar who has 8 production facilities globally. Previously, NEE has received such modules from Hanwha Q Cells and BYD, who are also major manufacturers. Furthermore, NEE also has USD740mn contracts with a diverse group of local suppliers which includes women and minority-owned suppliers.

In addition, the management cites its long-standing relationships with its suppliers as key to seeking credit extensions and discounts to hedge against price increases in its supply chain. Having an efficient supply chain with multiplier suppliers will allow NEE to mitigate risks such as disruptions to its plans arising from unforeseen macroeconomic events.

Negatives

1. Increasing Leverage to Fuel Expansion

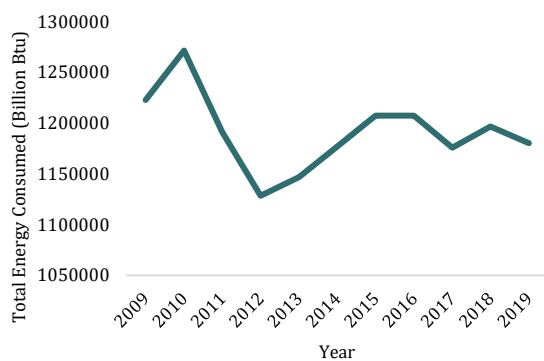
NEE is a capital-intensive business that has spent USD140bn in renewable energy projects since 2002, making it the 5th largest capital spender in the US for 2020. As part of its 10-year plan to transition towards cleaner energy sources, FPL & Gulf Power's CAPEX for FY2021 is projected to be as much as USD7.6bn. It is also expected that both entities' CAPEX from FY2019 to FY2022 will amount to USD29bn to maintain and upgrade existing infrastructures while expanding its solar generation capacity. This includes its USD733mn purchase of 4 wind farms in August 2021 in its string of acquisitions.

To fund its expansion, NEE has been reliant on capital and credit markets to finance its CAPEX and operational requirements. NEECH has made 5 bond placements in FY2021 alone, raising USD9.45bn. Apart from declining positive net income, large CAPEX has resulted in negative cash flows amounting to USD1.4bn reported in 2020. NEE's gearing has also increased from 1.1x in Q3 2020 to 1.2x in Q3 2021 with total debt increasing 14.60% from USD48.30bn in Q3 2020 to USD55.34bn in Q3 2021. Hence, if interest rates were to rise, NEE's increasing leverage may result in significant interest expenses and reduce its profitability. Despite a healthy balance sheet, increasing leverage also increases the default risks of NEE.

2. Exposure to Regulatory Risks

Operating in the regulated utilities segment, NEE is exposed to regulatory risks, especially to Florida's Public Service Commission (PSC). Retail utility generates 70% of FPL and Gulf Power's overall revenue. Before making any base rates changes charged to retail customers, NEE must seek the approval of Florida PSC. Regulators have the authority to determine the cost of providing electricity and the appropriate retail base rate to cover the costs, which will determine NEE's return on capital invested. With regulated rates, there is no guarantee that NEE will enjoy positive rates of return on capital invested. Although NEE has recently secured a 4-year base rate settlement agreement with Florida PSC, it is still exposed to regulatory policies such as certificate of need before beginning construction, adjustment clauses and storm cost recovery.

Figure 28: Total Energy Consumption by Residential Customers in Florida (Btu bn)



Source: SEDS, EIA, U.S. Energy Information Administration

Examples of these adjustment clauses are the Environmental Cost Recovery Clause and capacity cost recovery clause which allows recovery of compliance costs for environmental laws and recovery of reasonable site selection and preconstruction costs respectively. Any changes to these clauses such as reduction to recovery amounts may increase NEE's operating expenses and CAPEX, which may adversely impact its profitability.

Furthermore, NEE enjoys favorable government policies such as renewables tax credits amounting to approximately USD3.1bn in the last 10 years to enhance the economic feasibility of its business model. To accelerate the buildout of renewable energy infrastructure, the US government provides Production Tax Credits and Investment Tax Credits amounting up to 60% and 26% of the cost of a new wind and solar facility respectively in FY2021. NEE's PTC and ITC amounted to USD274mn and USD283mn in FY2019 and FY2020 respectively. Any reduction to credit amounts will similarly impact NEE's profitability with increased construction and operating costs. While NEE maintains a good relationship with the state regulators, it is still inevitably exposed to regulatory risks.

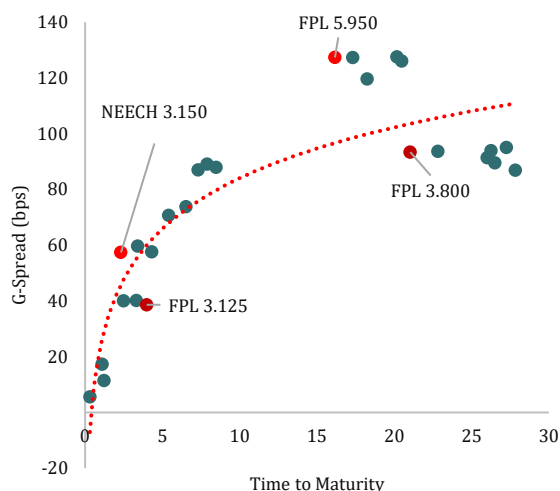
3. Dependence on Retail Customers

Deriving most of its revenue from residential customers in Florida, NEE must continuously grow its retail customer base to grow its revenue. This is done by serving new residents or acquiring customers from other competing regulated utilities providers. From 2017 to 2020, FPL's residential customer base grew 1.58% YoY. In Q3 2021, FPL and Gulf Power's average number of customers grew by 85,100 against Q3 2020.

The near-term outlook in Florida seems positive with its stable economic recovery. Its labor force participation rate recorded an 18-month high at 59% in Q3 2021 and retail trade earnings recorded 17.5% growth in Q2 2021 against the prior-year quarter. Moreover, there is an increasing market size for NEE to tap on with expected population growth of 1% annually which is accompanied by YoY growth in new building permits and new housing starts which will increase demand for electricity and NEE's customer accounts.

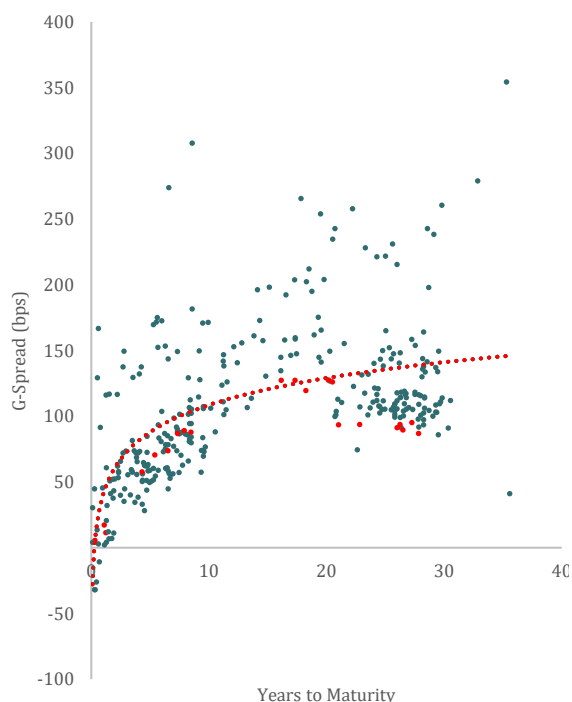
However, future revenue growth assumes that Florida continues to draw new residents so that NEE has a larger market to tap on and grow its customer base. As the clean energy prices continue to decrease and with fluctuating customer energy usage, it is pertinent for NEE to continue growing its customer volume to increase its revenue. Hence, there are risks associated with the failure of NEE to continuously grow its customer base which will impact its profitability.

Figure 29: RV between NEE & its Subsidiaries' Issuances (Spread to Treasury)



Source: Factset, Capital IQ

Figure 30: RV between NEE & its Subsidiaries' vs Comparable Companies (Spread to Treasury)



Source: Factset, Capital IQ

Issuance Analysis

NextEra's Outstanding Bonds

From the outstanding issuances of NEE and its subsidiaries, we derive a fair G-spread curve with the following recommendations:

Overweight FPL 2038 5.950% vs FPL 2042 3.800%

Florida Power Light is NEE's rate-regulated electric utility subsidiary that primarily generates, transmits, and sells electric energy to retail customers (residents) in Florida. As of 9th December 2021, FPL 2038 5.950% is trading at a G-Spread (Government-Spread/Treasury Spread) of 127.33bps while FPL 2042 3.800% is trading at a G-spread of 93.39bps. This reveals a 33.94bps spread between the two bonds, with FPL 2038 5.950% displaying a comparative premium relative to FPL 2042 3.800%.

Overweight NEECH 2024 3.150% vs FPL 2025 3.125%

NextEra Energy Capital Holdings is NEE's subsidiary that owns and finance NEE's other operating subsidiaries such as NextEra Energy Resources which focuses on electric energy generation from renewable sources such as Wind and Solar and NextEra Energy Partners which is involved in sourcing, acquiring, and managing clean energy project contracts. As of 9th December 2021, NEECH 2024 3.150% is trading at a G-Spread (Government-Spread/Treasury Spread) of 57.39bps while FPL 2025 3.125% is trading at a G-spread of 38.62bps.

This reveals an 18.77bps spread between the two bonds, with NEECH 2024 3.150% displaying a comparative premium relative to FPL 2025 3.125%, albeit a smaller price disparity as compared to the first recommendation. However, this smaller price disparity is a discount from the previous pair with a longer time to maturity as there is less credit uncertainty for this pair.

This pricing disparity may arise as NEECH and FPL are two different business segments of NEE. Although both issuances are backed by NEE, NEECH has embarked on an aggressive expansion plan in the next few years in a bid to expand its renewable energy capacity. This results in higher levels of perceived risks to investors when comparing NEECH to FPL as NEECH is making large capital expenditures while FPL continues to generate the majority of NEE's overall revenue. Despite NEECH making large CAPEX, it has originated around 2.16 GW of renewable and battery storage backlog, securing demand while building out its renewable infrastructures. Hence, the risks of NEECH vs FPL may not be significantly higher with more predictable projects and stable cash flows. Therefore, the pricing disparity may be a discount that has yet to be taken advantage of.

Underweight bonds with a time-to-maturity of less than 5 years and more than 20 years vs 5 to 20 years

From the relative valuation chart of NEE and its subsidiaries' issuances, bonds with a time-to-maturity of less than 5 years and more than 20 years are mostly below the mean yield curve while bonds with a time-to-maturity between 5 to 20 years are generally above the mean yield curve.

This may be due to the NEE's long-term corporate strategy to aggressively expand its renewable generation capacity and transit to clean energy from sources such as coal. One such strategy is the 30 by 30 plan where 30 million solar panels are installed by 2030. Beyond 20 years, investors are faced with greater uncertainty with less announced plans. However, NEE's long-term corporate strategy which focuses on the transition towards renewable energy will ensure a better financial position of NEE as it will enjoy first-mover advantages such as lower cost of generating electric energy and greater expertise in renewable energy. With the expansion and transition, NEE has the potential to reduce operating expenses and increase profitability by acquiring and serving more customers.

Additionally, to understand the performance of NEE and its subsidiaries' outstanding issuances relative to its peers such as Duke Energy and Southern Company, the G-spread of their outstanding issuances were plotted to derive a relative G-spread curve. From the curve, we observe that NEE and its subsidiaries possess lower credit risk and lower liquidity risk compared with peer companies. This is because it generally trades close to the mean yield curve (tighter), albeit slightly lower than the mean G-spread. Furthermore, there is an optimistic mid to short and long-term credit security, with bonds of 5-20 years' time-to-maturity trading above the mean yield curve.

Apart from having one of the largest renewable generation capacities compared to its comparable peers, NEE is continuously investing to expand its renewable portfolio.

Moreover, this relative valuation can also be attributed to its substantial backlog of signed contracts to provide electric energy and successful base rate settlement agreement which fixes their profits for the next 5 years, highlighting demand for cleaner and cheaper energy. It also highlights stable and predictable cash flows for its retail market segment under FPL, reducing credit and liquidity risks. Hence, NEE and its subsidiaries' outstanding issuances trade slightly below the mean yield curve, acting as a discount in return for lower risks faced.

Comparable peers include Southern Company, Dominion Energy, Duke Energy, Entergy, and more.

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Appendix

Financial Model

Balance Sheet

Financial Statements								
(USD million, Financial Year End Dec. 31)								
Balance Sheet								
	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F
Assets								
Current assets								
Cash, restricted cash and cash equivalents	5,253	1,107	1,557	1,436	1,497	1,280	1,227	1,010
Restricted cash	(4,615)	(508)	(441)	(664)	(711)	(757)	(804)	(851)
Customer receivables	2,302	2,282	2,263	2,546	2,845	2,962	3,070	3,177
Other receivables	667	525	711	711	794	827	857	887
Materials, supplies and fossil fuel inventory	1,223	1,328	1,552	1,523	1,702	1,772	1,838	1,901
Regulatory assets	448	335	377	425	483	498	511	523
Derivatives	564	762	570	700	782	814	844	873
Other current assets	551	1,576	804	1,064	1,189	1,237	1,283	1,327
Total current assets	6,393	7,407	7,393	7,740	8,581	8,633	8,826	8,849
Non-current assets								
Property, plant and equipment, net	70,334	82,010	91,803	102,465	112,531	120,514	129,920	136,409
Property, plant and equipment, gross	92,083	107,178	118,103	132,773	146,621	157,605	170,547	179,475
Accumulated depreciation	(21,749)	(25,168)	(26,300)	(30,308)	(34,091)	(37,091)	(40,627)	(43,066)
Special use funds	5,886	6,954	7,779	7,635	8,532	8,882	9,209	9,528
Investment in equity method investees	6,748	7,453	5,728	7,392	8,260	8,600	8,916	9,225
Prepaid benefit costs	1,284	1,437	1,707	1,346	1,504	1,566	1,623	1,680
Regulatory assets	3,290	3,287	3,712	3,739	4,251	4,381	4,494	4,603
Derivatives	1,355	1,624	1,647	1,712	1,914	1,992	2,065	2,137
Goodwill	891	4,204	4,254	4,549	5,083	5,292	5,486	5,677
Other non-current assets	7,521	3,314	3,672	3,763	4,205	4,377	4,538	4,696
Total non-current assets	97,309	110,283	120,302	132,600	146,279	155,604	166,252	173,955
Total assets	103,702	117,690	127,695	140,340	154,860	164,237	175,077	182,804
Liabilities								
Current liabilities								
Short-term debt, including commercial paper	8,214	2,916	2,009	3,440	7,445	3,827	7,450	1,029
Current portion of long-term debt	2,716	2,124	4,138	3,440	7,445	3,827	7,450	1,029
Accounts payable	2,386	3,631	4,615	3,917	4,378	4,558	4,725	4,889
Customer deposits	445	499	474	439	512	468	526	588
Accrued interest and taxes	477	558	519	414	472	623	641	768
Derivatives	675	344	311	503	562	585	607	628
Accrued construction-related expenditure	1,195	1,152	991	1,242	1,388	1,445	1,498	1,550
Regulatory liabilities	325	320	245	324	369	380	390	399
Other current liabilities	1,130	2,309	2,256	2,017	2,156	2,113	2,250	2,157
Total current liabilities	17,563	13,853	15,558	15,738	24,726	17,827	25,537	13,036
Non-current liabilities								
Long-term debt	26,782	37,543	41,944	51,764	52,149	64,895	64,574	80,978
Asset retirement obligations	3,135	3,457	3,057	4,100	4,502	4,822	5,198	5,458
Deferred income taxes	7,367	8,361	8,020	8,802	9,836	10,240	10,616	10,985
Regulatory liabilities	9,009	9,936	10,735	10,760	12,235	12,608	12,934	13,246
Derivatives	516	863	1,199	949	1,060	1,104	1,144	1,184
Other non-current liabilities	1,449	1,831	2,242	1,974	2,110	2,067	2,202	2,110
Total non-current liabilities	48,258	61,991	67,197	78,348	81,891	95,735	96,668	113,960
Total Liabilities	65,821	75,844	82,755	94,085	106,618	113,562	122,205	126,996
Shareholders' equity								
Common stock	20	20	20	20	20	20	20	20
Additional paid-in capital	10,475	11,955	11,222	11,222	11,222	11,222	11,222	11,222
Retained earnings	23,837	25,198	25,374	26,689	28,676	31,109	33,307	36,242
Noncontrolling interest	3,269	4,355	8,416	8,416	8,416	8,416	8,416	8,416
Accumulated other comprehensive loss	(188)	(169)	(92)	(92)	(92)	(92)	(92)	(92)
Redeemable noncontrolling interests	468	487	-	-	-	-	-	-
Total shareholders' equity	37,881	41,846	44,940	46,255	48,242	50,675	52,873	55,808
Total liability and shareholders' equity	103,702	117,690	127,695	140,340	154,860	164,237	175,077	182,804
Balance	YES	YES	YES	YES	YES	YES	YES	YES
Discrepancy	-	-	-	-	-	-	-	-

Income Statement

Financial Statements								
(USD million, Financial Year End Dec. 31)								
Income Statement								
	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F
Operating Revenue								
Operating Revenue	16,727	19,204	17,997	19,982	22,330	23,247	24,101	24,938
Operating Expenses excluding D&A								
Operating Expenses excluding D&A	(8,616)	(10,041)	(9,182)	(10,312)	(11,523)	(11,997)	(12,437)	(12,869)
D&A Expense								
D&A Expense	(3,911)	(4,216)	(4,052)	(4,008)	(3,783)	(3,001)	(3,535)	(2,439)
Net gains on disposal of businesses/assets								
Net gains on disposal of businesses/assets	191	461	403	-	-	-	-	-
Operating Income	4,391	5,408	5,166	5,663	7,023	8,250	8,128	9,630
Interest expense								
Interest expense	(1,498)	(2,249)	(1,950)	(1,491)	(1,700)	(2,245)	(2,309)	(2,768)
Interest Income								
Interest Income	51	54	38	34	33	32	29	25
Net Interest								
Net Interest	(1,447)	(2,195)	(1,912)	(1,457)	(1,667)	(2,214)	(2,281)	(2,742)
Equity in losses (earnings) of equity method investees								
Equity in losses (earnings) of equity method investees	(358)	(66)	1,351	-	-	-	-	-
Other income, net								
Other income, net	4,766	689	(2,192)	-	-	-	-	-
Profit before tax	7,352	3,836	2,413	4,206	5,356	6,036	5,848	6,888
Tax expense								
Tax expense	(1,576)	(448)	(44)	(883)	(1,125)	(1,268)	(1,228)	(1,446)
Net Income Inc losses from noncontrolling interest	5,776	3,388	2,369	3,323	4,232	4,769	4,620	5,441
Net loss attributable to noncontrolling interests								
Net loss attributable to noncontrolling interests	862	381	550	679	759	790	819	847
Net Income	6,638	3,769	2,919	4,002	4,990	5,558	5,439	6,289

Cashflow Statement

Financial Statements								
(USD million, Financial Year End Dec. 31)								
Cash Flow Statement								
	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F
Cash flow from operating activities								
Net Income	3,769	2,919	4,002	4,990	5,558	5,439	6,289	
Changes in net working capital								
Customer receivables	20	19	(283)	(299)	(117)	(109)	(107)	
Other receivables	142	(186)	0	(84)	(33)	(30)	(30)	
Materials, supplies and fossil fuel inventory	(105)	(224)	29	(179)	(70)	(65)	(64)	
Regulatory assets, current	113	(42)	(48)	(58)	(15)	(13)	(12)	
Other current assets	(1,025)	772	(260)	(125)	(49)	(45)	(45)	
Accounts payable	1,245	984	(698)	460	180	167	164	
Customer deposits	54	(25)	(35)	73	(44)	58	62	
Accrued interest and taxes	81	(39)	(105)	58	151	18	127	
Accrued construction-related expenditure	(43)	(161)	251	146	57	53	52	
Regulatory liabilities, current	(5)	(75)	79	44	11	10	9	
Other current liabilities	1,179	(53)	(239)	139	(44)	137	(94)	
Depreciation and Amortization	4,216	4,052	4,008	3,783	3,001	3,535	2,439	
Changes in deferred taxes	994	(341)	782	1,034	404	376	369	
Changes in restricted cash	(4,107)	(67)	223	47	47	47	47	
Net cash (used in)/from operating activities	6,528	7,533	7,707	10,030	9,039	9,577	9,207	
Cash flow from investing activities								
Proceeds/(addition) to gross property, plant, and equipment	(15,095)	(10,925)	(14,670)	(13,848)	(10,984)	(12,942)	(8,928)	
Other capital expenditure	(2,367)	(3,685)	-	-	-	-	-	
Changes in special use funds	(1,068)	(825)	144	(897)	(350)	(326)	(320)	
Change in investment in equity method investees	(705)	1,725	(1,664)	(868)	(339)	(316)	(310)	
Changes in prepaid benefit costs	(153)	(270)	361	(158)	(62)	(58)	(56)	
Changes in regulatory assets, non-current	3	(425)	(27)	(512)	(130)	(113)	(109)	
Changes in regulatory liabilities, non-current	927	799	25	1,474	374	326	312	
Changes in derivatives, net	(451)	472	(253)	(113)	(44)	(41)	(40)	
Changes in goodwill	(3,313)	(50)	(295)	(534)	(209)	(194)	(191)	
Changes in other non-current assets	4,207	(358)	(91)	(442)	(173)	(161)	(158)	
Changes in other non-current liabilities	382	411	(268)	136	(43)	134	(92)	
Net cash used in investing activities	(17,633)	(13,131)	(16,737)	(15,763)	(11,959)	(13,691)	(9,890)	
Cash flow from financing activities								
Repayment of/proceeds from short-term borrowings, net	(5,298)	(907)	1,431	4,005	(3,617)	3,623	(6,421)	
Repayment of/proceeds from long-term borrowings, net	10,169	6,415	9,122	4,390	9,128	3,302	9,982	
Changes in common stock	-	-	-	-	-	-	-	
Changes in additional paid-in capital	1,480	(733)	-	-	-	-	-	
Changes in noncontrolling interest	1,086	4,061	-	-	-	-	-	
Changes in other comprehensive loss	19	77	-	-	-	-	-	
Changes in redeemable noncontrolling interests	19	(487)	-	-	-	-	-	
Dividends paid	(2,408)	(2,743)	(2,687)	(3,003)	(3,126)	(3,241)	(3,353)	
Changes in asset retirement obligations	322	(400)	1,043	403	319	376	260	
Net cash from financing activities	5,389	5,283	8,909	5,794	2,704	4,060	467	
FX effect	4	(20)	-	-	-	-	-	
Net increase/(decrease) in cash, restricted cash and cash equivalents	(5,712)	(335)	(121)	61	(217)	(53)	(217)	
Cash, restricted cash and cash equivalent at beginning of year	5,253	1,107	1,557	1,436	1,497	1,280	1,227	
Other adjustments	1,566	785	-	-	-	-	-	
Cash, restricted cash and cash equivalent at end of year	5,253	1,107	1,557	1,436	1,497	1,280	1,227	1,010

Supporting Schedules

Supporting Schedules								
(USD million, Financial Year End Dec. 31)								
Other Current Assets								
	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F
Restricted Cash	(4,615)	(508)	(441)	(664)	(711)	(757)	(804)	(851)
% of Operating revenue	-28%	-3%	-2%	-11%	-11%	-11%	-11%	-11%
Customer Receivables	2,302	2,282	2,263	2,546	2,845	2,962	3,070	3,177
% of Operating revenue	14%	12%	13%	13%	13%	13%	13%	13%
Other Receivables	667	525	711	711	794	827	857	887
% of Operating revenue	4%	3%	4%	4%	4%	4%	4%	4%
Materials, supplies and fossil fuel inventory	1,223	1,328	1,552	1,523	1,702	1,772	1,838	1,901
% of Operating Expense Excluding D&A	-14%	-13%	-17%	-15%	-15%	-15%	-15%	-15%
Regulatory assets	448	335	377	425	483	498	511	523
% of FPL & Gulf Power operating revenue	4%	2%	3%	3%	3%	3%	3%	3%
Derivatives	564	762	570	700	782	814	844	873
% of Operating revenue	3%	4%	3%	4%	4%	4%	4%	4%
Others	551	1,576	804	1,064	1,189	1,237	1,283	1,327
% of Operating revenue	3%	8%	4%	5%	5%	5%	5%	5%

Supporting Schedules

(USD million, Financial Year End Dec. 31)

	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F
Other Non-current Assets								
Special use funds	5,886	6,954	7,779	7,635	8,532	8,882	9,209	9,528
% of Operating revenue	35%	36%	43%	38%	38%	38%	38%	38%
Investment in equity method investees	6,748	7,453	5,728	7,392	8,260	8,600	8,916	9,225
% of Operating revenue	40%	39%	32%	37%	37%	37%	37%	37%
Prepaid benefit costs	1,284	1,437	1,707	1,346	1,504	1,566	1,623	1,680
% of Operating expense excluding D&A	-12%	-12%	-14%	-13%	-13%	-13%	-13%	-13%
Regulatory assets	3,290	3,287	3,712	3,739	4,251	4,381	4,494	4,603
% of FPL & Gulf Power operating revenue	28%	24%	28%	27%	27%	27%	27%	27%
Derivatives	1,355	1,624	1,647	1,712	1,914	1,992	2,065	2,137
% of Operating revenue	8%	8%	9%	9%	9%	9%	9%	9%
Goodwill	891	4,204	4,254	4,549	5,083	5,292	5,486	5,677
% of Operating revenue	5%	22%	24%	23%	23%	23%	23%	23%
Other	7,521	3,314	3,672	3,763	4,205	4,377	4,538	4,696
% of Operating revenue	45%	17%	20%	19%	19%	19%	19%	19%

Current Liabilities

Accounts payable	2,386	3,631	4,615	3,917	4,378	4,558	4,725	4,889
% of Operating revenue	14%	19%	26%	20%	20%	20%	20%	20%
Customer deposits	445	499	474	439	512	468	526	588
% of Operating expense excluding D&A	-5%	-5%	-5%	-5%	-5%	-5%	-5%	-5%
Accrued interest and taxes	477	558	519	414	472	623	641	768
% of Interest expense	-32%	-25%	-27%	-28%	-28%	-28%	-28%	-28%
Derivatives	675	344	311	503	562	585	607	628
% of Operating revenue	4%	2%	2%	3%	3%	3%	3%	3%
Accrued construction-related expenditure	1,195	1,152	991	1,242	1,388	1,445	1,498	1,550
% of Operating expense excluding D&A	-14%	-11%	-11%	-12%	-12%	-12%	-12%	-12%
Regulatory liabilities	325	320	245	324	369	380	390	399
% of FPL & Gulf Power operating revenue	3%	2%	2%	2%	2%	2%	2%	2%
Other current liabilities	1,130	2,309	2,256	2,017	2,156	2,113	2,250	2,157
% of Operating expense	-9%	-16%	-17%	-14%	-14%	-14%	-14%	-14%

Non-current Liabilities

Asset retirement obligations	3,135	3,457	3,057	4,100	4,502	4,822	5,198	5,458
% of Net PPE	4%	4%	3%	4%	4%	4%	4%	4%
Deferred income taxes	7,367	8,361	8,020	8,802	9,836	10,240	10,616	10,985
% of Operating revenue	44%	44%	45%	44%	44%	44%	44%	44%
Regulatory liabilities	9,009	9,936	10,735	10,760	12,235	12,608	12,934	13,246
% of FPL & Gulf Power operating revenue	76%	73%	82%	77%	77%	77%	77%	77%
Derivatives	516	863	1,199	949	1,060	1,104	1,144	1,184
% of Operating revenue	3%	4%	7%	5%	5%	5%	5%	5%
Other non-current liabilities	1,449	1,831	2,242	1,974	2,110	2,067	2,202	2,110
% of Operating expense	-12%	-13%	-17%	-14%	-14%	-14%	-14%	-14%

Shareholders' Equity

Common stock	20	20	20	20	20	20	20	20
Additional paid-in capital	10,475	11,955	11,222	11,222	11,222	11,222	11,222	11,222
Retained earnings	23,837	25,198	25,374	26,689	28,676	31,109	33,307	36,242
Net income	6,638	3,769	2,919	4,002	4,990	5,558	5,439	6,289
Dividends	(2,101)	(2,408)	(2,743)	(2,687)	(3,003)	(3,126)	(3,241)	(3,353)
% of Operating revenue	-13%	-13%	-15%	-13%	-13%	-13%	-13%	-13%
Noncontrolling interest	3,269	4,355	8,416	8,416	8,416	8,416	8,416	8,416
Other comprehensive loss	(188)	(169)	(92)	(92)	(92)	(92)	(92)	(92)
Redeemable noncontrolling interests	468	487	-	-	-	-	-	-

Supporting Schedules

(USD million, Financial Year End Dec. 31)

CAPEX Build								
Depreciation Schedule								
Projections based on management guidance	11,508	17,478	15,153	14,303	13,502	10,709	12,618	8,705
% diff between projection and actual	11.5%	-0.1%	-3.7%	3%	3%	3%	3%	3%
CAPEX	13,004	17,462	14,610	14,670	13,848	10,984	12,942	8,928
Depreciation and amortization expense	3,911	4,216	4,052	4,008	3,783	3,001	3,535	2,439
% of CAPEX	30%	24%	28%	27%	27%	27%	27%	27%
Accumulated depreciation and amortization, net	(21,749)	(25,168)	(26,300)	(30,308)	(34,091)	(37,091)	(40,627)	(43,066)

Supporting Schedules

(USD million, Financial Year End Dec. 31)

CAPEX Build

CAPEX Breakdown

	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F
FPL								
Existing generation	2,118	2,457	2,527	2,345	2,214	1,756	2,069	1,427
Transmission & distribution	2,456	2,893	3,150	2,798	2,641	2,095	2,468	1,703
General & other	561	405	1,003	635	600	476	560	387
FPL Total	5,135	5,755	6,680	5,778	5,455	4,326	5,098	3,517
Gulf Power								
General	-	729	1,012	543	512	406	479	330
Gulf Power Total	-	729	1,012	543	512	406	479	330
NEER								
Wind	4,093	1,974	3,359	3,097	2,924	2,319	2,733	1,885
Solar	698	1,741	1,920	1,465	1,383	1,097	1,292	892
Nuclear	233	179	125	178	168	133	157	108
Natural gas & other gas infrastructure	1,766	1,656	841	1,417	1,338	1,061	1,250	862
Other	399	955	648	675	637	505	595	411
NEER Total	7,189	6,505	6,893	6,832	6,449	5,115	6,027	4,158
Corporate and other								
General	680	4,473	25	1,517	1,432	1,136	1,338	923
Corporate and Other Total	680	4,473	25	1,517	1,432	1,136	1,338	923
% of PPE by subsidiary				Average				
FPL	39%	33%	46%	39%				
Gulf Power	0%	4%	7%	4%				
NEER	55%	37%	47%	47%				
Corporate & other	5%	26%	0%	10%				
% of FPL PPE				Average				
Electric generation	41%	43%	38%	41%				
Electric transmission & distribution	48%	50%	47%	48%				
General & other	11%	7%	15%	11%				
% of NEER PPE				Average				
Wind	57%	30%	49%	45%				
Solar	10%	27%	28%	21%				
Nuclear	3%	3%	2%	3%				
Oil & gas	25%	25%	12%	21%				
Other	6%	15%	9%	10%				

Property, Plant and Equipment Build

Gross PPE at start of period	N.A.	N.A.	N.A.	118,103	132,773	146,621	157,605	170,547
Additions	N.A.	N.A.	N.A.	14,670	13,848	10,984	12,942	8,928
Gross PPE at end of period	N.A.	N.A.	N.A.	132,773	146,621	157,605	170,547	179,475
Accumulated depreciation	N.A.	N.A.	N.A.	(30,308)	(34,091)	(37,091)	(40,627)	(43,066)
Net PPE at end of period	N.A.	N.A.	N.A.	102,465	112,531	120,514	129,920	136,409

Debt Schedules

Debt Schedule

(USD million, Financial Year End Dec. 31)

Debt Schedule Overview

	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F
Debt balance by borrowing type								
Short-term borrowings				3,440	7,445	3,827	7,450	1,029
Current portion of long-term borrowings				3,440	7,445	3,827	7,450	1,029
Long-term borrowings				51,764	52,149	64,895	64,574	80,978
Total borrowings				58,644	67,039	72,550	79,474	83,035
Debt balance by maturity								
Less than 1 year				6,880	14,889	7,655	14,900	2,057
Between 1-2 years				7,445	3,827	7,450	1,029	2,154
Between 2-5 years				12,306	10,297	5,259	5,892	5,907
Over 5 years				31,429	29,154	25,442	23,800	21,630
Total borrowings				58,060	58,168	45,806	45,620	31,749
Total interest payments				1,491	1,700	2,245	2,309	2,768
Average funding cost				2.5%	2.5%	3.1%	2.9%	3.3%

Target Cash Requirements

Cash, restricted cash and cash equivalents	5,253	1,107	1,557					
% of Operating revenue	31.4%	5.8%	8.7%					
Minimum Target Cash Balance	N.A.	N.A.	N.A.	1,440	1,610	1,676	1,737	1,798
% of Operating revenue	N.A.	N.A.	N.A.	7.2%	7.2%	7.2%	7.2%	7.2%

Debt Schedule								
(USD million, Financial Year End Dec. 31)								
Short-term Borrowings								
Short-term borrowings beginning balance	N.A.	8,214	2,916	2,009	3,440	7,445	3,827	7,450
Addition to short-term borrowings	N.A.	2,916	2,009	3,440	7,445	3,827	7,450	1,029
Repayment of short-term borrowings	N.A.	(8,214)	(2,916)	(2,009)	(3,440)	(7,445)	(3,827)	(7,450)
Short-term borrowings ending balance	8,214	2,916	2,009	3,440	7,445	3,827	7,450	1,029
Manual addition to short-term borrowings	N.A.	N.A.	N.A.	3,440	7,445	3,827	7,450	1,029
Interest payments	N.A.	N.A.	N.A.	35	60	130	67	130
Interest rate	3.0%	2.0%	0.4%	1.8%	1.8%	1.8%	1.8%	1.8%

Long-term Borrowings								
Notes maturity								
Less than 1 year				3,440	7,445	3,827	7,450	1,029
Between 1-2 years				7,445	3,827	7,450	1,029	2,154
Between 2-5 years				12,306	10,297	5,259	5,892	5,907
Over 5 years				31,429	29,154	25,442	23,800	21,630
Total notes				54,620	50,723	41,978	38,170	30,720
Maturity (years)								
1				3,440	7,445	3,827	7,450	1,029
2				7,445	3,827	7,450	1,029	2,154
3				3,827	7,450	1,029	2,154	2,076
4				7,450	1,029	1,818	2,076	1,662
5				1,029	1,818	2,412	1,662	2,170
Over 5 years				31,429	29,154	25,442	23,800	21,630
Total notes				54,620	50,723	41,978	38,170	30,720
Additions to long-term borrowings	N.A.	N.A.	N.A.	584	8,871	26,744	33,854	51,286
Interest payments	N.A.	N.A.	N.A.	18	273	822	1,041	1,576
Interest rate				3.1%	3.1%	3.1%	3.1%	3.1%

Debt Schedule								
(USD million, Financial Year End Dec. 31)								
Principal outstanding								
FPL including Gulf Power								
First Mortgage Bonds 2033 5.850%	171	171	171	171	171			
First Mortgage Bonds 2034 5.630%	418	418	418	418	418			
First Mortgage Bonds 2033 5.950%	272	272	272	272	272			
First Mortgage Bonds 2035 5.650%	204	204	204	204	204			
First Mortgage Bonds 2033 4.950%	300	300	300	300	300			
First Mortgage Bonds 2035 5.400%	230	230	230	230	230			
First Mortgage Bonds 2036 6.200%	219	219	219	219	219			
First Mortgage Bonds 2037 5.650%	395	395	395	395	395			
First Mortgage Bonds 2037 5.850%	231	231	231	231	231			
First Mortgage Bonds 2038 5.950%	600	600	600	600	600			
First Mortgage Bonds 2039 5.960%	500	500	500	500	500			
First Mortgage Bonds 2040 5.690%	500	500	500	500	500			
First Mortgage Bonds 2041 5.250%	400	400	400	400	400			
First Mortgage Bonds 2041 5.130%	250	250	250	250	250			
First Mortgage Bonds 2042 4.130%	600	600	600	600	600			
First Mortgage Bonds 2042 3.800%	600	600	600	600	600			
First Mortgage Bonds 2042 4.050%	400	400	400	400	400			
First Mortgage Bonds 2023 2.750%	500	500	-	-	-			
First Mortgage Bonds 2024 3.250%	500	500	500	-	-			
First Mortgage Bonds 2044 4.050%	500	500	500	500	500			
First Mortgage Bonds 2025 3.130%	600	600	600	600	-			
First Mortgage Bonds 2047 3.700%	700	700	700	700	700			
First Mortgage Bonds 2048 3.950%	1,000	1,000	1,000	1,000	1,000			
First Mortgage Bonds 2048 4.130%	500	500	500	500	500			
First Mortgage Bonds 2049 3.990%	600	600	600	600	600			
First Mortgage Bonds 2049 3.150%	800	800	800	800	800			
First Mortgage Bonds 2025 2.850%	1,100	1,100	1,100	1,100	-			
FPL Corporate Bond 2051 2.875%	1,200	1,200	1,200	1,200	1,200			
Jacksonville 2027 VAR	28	28	28	28	28			
Jacksonville 2024 VAR	46	46	46	-	-			
Manatee 2024 VAR	17	17	17	-	-			
Putnam 2024 VAR	4	4	4	-	-			
Jacksonville 2029 VAR	52	52	52	52	52			
Martin 2022 VAR	96	-	-	-	-			
St. Lucie 2028 VAR	242	242	242	242	242			
St. Lucie 2024 VAR	79	79	79	-	-			
Miami-Dade 2023 VAR	15	15	-	-	-			
Broward 2045 VAR	85	85	85	85	85			
Lee County 2046 VAR	30	30	30	30	30			
Lee County 2046 VAR	30	30	30	30	30			
Monroe County 2047 VAR	60	60	60	60	60			
Broward 2048 VAR	28	28	28	28	28			
Broward 2048 VAR	28	28	28	28	28			
Monroe County 2049 VAR	55	55	55	55	55			
Miami-Dade 2046 VAR	54	54	54	54	54			
Escambia County 2022 VAR	37	-	-	-	-			
Jackson County 2022 VAR	4	-	-	-	-			
Monroe County 2037 VAR	42	42	42	42	42			
Escambia County 2023 2.600%	33	33	-	-	-			
Escambia County 2039 1.800%	65	65	65	65	65			
Escambia County 2039 VAR	65	65	65	65	65			
Monroe County 2049 VAR	21	21	21	21	21			
Jackson County 2042 VAR	13	13	13	13	13			
Jackson County 2044 VAR	29	29	29	29	29			
Monroe County 2049 VAR	45	45	45	45	45			
Mississippi State 2049 VAR	55	55	55	55	55			
Bay County 2050 VAR	50	50	50	50	50			
Qualified Replacement Property Note 2068 VAR	94	94	94	94	94			
Qualified Replacement Property Note 2068 VAR	99	99	99	99	99			
Qualified Replacement Property Note 2069 VAR	43	43	43	43	43			
Qualified Replacement Property Note 2070 VAR	175	175	175	175	175			
Qualified Replacement Property Note 2070 VAR	145	145	145	145	145			
Qualified Replacement Property Note 2071 VAR	184	184	184	184	184			
Floating Rate Note 2023 VAR	1,000	1,000	-	-	-			
Floating Rate Note 2071 VAR	142	142	142	142	142			
Senior Notes 2040 5.100%	125	125	125	125	125			
Senior Notes 2022 3.100%	100	-	-	-	-			
Senior Notes 2043 5.000%	90	90	90	90	90			
Senior Notes 2044 4.550%	200	200	200	200	200			
Senior Notes 2027 3.300%	300	300	300	300	300			
Term Loans 2022 VAR	300	-	-	-	-			
Term Loans 2022 VAR	200	-	-	-	-			
Other Debt 2046 7.900%	7	7	7	7	7			
Total - FPL	18,902	18,165	16,618	15,972	14,272			

Notes issued			
Outstanding amount USD mn	Coupon	Issue date	Maturity date
FPL			
171	5.85%	13/12/2002	1/2/2033
418	5.63%	4/4/2003	1/4/2034
272	5.95%	15/10/2003	1/10/2033
204	5.65%	29/1/2004	1/2/2035
300	4.95%	7/6/2005	1/6/2035
230	5.40%	22/9/2005	1/9/2035
219	6.20%	24/4/2006	1/6/2036
395	5.65%	18/1/2006	1/2/2037
231	5.85%	17/4/2007	1/5/2037
600	5.95%	16/1/2008	1/2/2038
500	5.96%	17/3/2009	1/4/2039
500	5.69%	9/2/2010	1/3/2040
400	5.25%	9/12/2010	1/2/2041
250	5.13%	10/6/2011	1/6/2041
600	4.13%	13/12/2011	1/2/2042
600	4.05%	15/5/2012	1/6/2042
400	3.80%	20/12/2012	15/12/2042
500	2.75%	5/6/2013	1/6/2023
500	3.25%	15/5/2014	1/6/2024
500	4.05%	10/9/2014	1/10/2044
600	3.13%	19/11/2015	1/12/2025
700	3.70%	16/11/2017	1/12/2047
1,000	3.95%	28/2/2018	1/3/2048
500	4.13%	8/5/2018	1/6/2048
600	3.99%	26/2/2019	1/3/2049
800	3.15%	13/9/2019	1/10/2049
1,100	2.85%	27/3/2020	1/4/2025
1,200	2.88%	18/11/2021	4/12/2051
28	0.12%	28/5/1992	1/5/2027
46	0.12%	29/3/1994	1/9/2024
17	0.12%	29/3/1994	1/9/2024
4	0.12%	29/3/1994	1/9/2024
52	0.12%	6/6/1995	1/5/2029
96	0.12%	27/4/2000	15/7/2022
242	0.12%	15/9/2000	1/9/2028
79	0.12%	1/5/2003	1/5/2024
15	0.12%	25/6/2003	1/2/2023
85	0.12%	11/6/2015	1/6/2045
30	0.12%	21/2/2016	1/12/2046
30	0.12%	21/2/2016	1/12/2046
60	0.12%	3/11/2017	1/11/2047
28	0.12%	5/12/2018	1/12/2048
28	0.12%	5/12/2018	1/12/2048
55	0.12%	13/6/2019	1/6/2049
54	0.12%	13/5/2021	1/5/2046
37	0.12%	1/7/1997	1/7/2022
4	0.12%	1/7/1997	1/7/2022
42	0.12%	26/9/2002	1/9/2037
33	2.60%	15/4/2003	1/6/2023
65	1.80%	31/3/2009	1/4/2039
65	0.12%	31/3/2009	1/4/2039
21	0.12%	3/6/2010	1/6/2049
13	0.12%	20/11/2012	1/11/2042
29	0.12%	15/4/2014	1/4/2044
45	0.12%	17/10/2019	1/10/2049
55	0.12%	12/12/2019	1/12/2049
50	0.12%	11/6/2020	1/6/2050
94	0.12%	15/6/2018	15/6/2068
99	0.12%	14/11/2018	14/11/2068
43	0.12%	27/3/2019	27/3/2069
175	0.12%	13/3/2020	13/3/2070
145	0.12%	24/8/2020	24/8/2070
184	0.12%	1/3/2021	1/3/2071
1,000	0.30%	10/5/2021	10/5/2023
142	0.44%	15/6/2021	1/3/2071
125	5.10%	17/9/2010	1/10/2040
100	3.10%	18/5/2012	15/5/2022
90	5.00%	18/6/2013	15/6/2043
200	4.55%	23/9/2014	1/10/2044
300	3.30%	18/5/2017	30/5/2027
300	0.70%	30/9/2019	29/9/2022
200	0.70%	13/12/2019	13/6/2022
7	7.90%	1/6/2021	1/6/2046

NEECH						NEECH					
Debentures 2023 3.630%	250	250	-	-	-	250	3.63%	6/6/2013	15/6/2023		
Debentures 2027 3.550%	1,490	1,490	1,490	1,490	1,490	1,490	3.55%	28/4/2017	1/5/2027		
Debentures 2023 2.800%	500	500	-	-	-	500	2.80%	14/12/2017	15/1/2023		
Debentures 2022 VAR	400	-	-	-	-	400	0.90%	27/2/2019	25/2/2022		
Debentures 2022 2.900%	1,000	-	-	-	-	1,000	2.90%	4/4/2019	1/4/2022		
Debentures 2024 3.150%	900	900	900	-	-	900	3.15%	4/4/2019	1/4/2024		
Debentures 2026 3.250%	300	300	300	300	300	300	3.25%	4/4/2019	1/4/2026		
Debentures 2029 3.500%	500	500	500	500	500	500	3.50%	4/4/2019	1/4/2029		
Debentures 2029 2.750%	1,000	1,000	1,000	1,000	1,000	1,000	2.75%	3/10/2019	1/11/2029		
Debentures 2022 1.950%	450	-	-	-	-	450	1.95%	7/10/2019	1/9/2022		
Debentures 2026 2.200%	361	361	361	361	361	361	2.20%	2/12/2019	2/12/2026		
Debentures 2025 2.750%	1,250	1,250	1,250	1,250	-	1,250	2.75%	6/4/2020	1/5/2025		
Debentures 2030 2.250%	2,000	2,000	2,000	2,000	2,000	2,000	2.25%	12/5/2020	1/6/2030		
Debentures 2023 VAR	1,650	1,650	-	-	-	1,650	0.43%	22/2/2021	22/2/2023		
Debentures 2023 0.650%	2,000	2,000	-	-	-	2,000	0.65%	17/3/2021	1/3/2023		
Debentures 2023 VAR	500	500	-	-	-	500	0.59%	17/3/2021	1/3/2023		
Debentures 2028 1.900%	1,500	1,500	1,500	1,500	1,500	1,500	1.90%	8/6/2021	15/6/2028		
Debenture 2023 VAR	1,300	1,300	-	-	-	1,300	0.45%	3/11/2021	3/11/2023		
Debentures related to NEE equity units 2024 2.100%	1,500	1,500	1,500	-	-	1,500	2.10%	9/9/2019	1/9/2024		
Debentures related to NEE equity units 2025 1.840%	2,500	2,500	2,500	2,500	-	2,500	1.84%	21/2/2020	1/3/2025		
Debentures related to NEE equity units 2025 0.510%	2,000	2,000	2,000	2,000	-	2,000	0.51%	18/9/2020	1/9/2025		
Debentures (Junior Subordinated) 2066 Fixed & VAR	319	319	319	319	-	319	2.20%	19/9/2006	1/10/2066		
Debentures (Junior Subordinated) 2067 Fixed & VAR	312	312	312	312	312	312	2.24%	12/6/2007	15/6/2067		
Debentures (Junior Subordinated) 2076 5.250%	570	570	570	570	570	570	5.25%	7/6/2016	1/6/2076		
Debentures (Junior Subordinated) 2057 5.110%	755	755	755	755	755	755	5.11%	29/9/2017	29/9/2057		
Debentures (Junior Subordinated) 2077 4.800%	550	550	550	550	550	550	4.80%	2/11/2017	1/12/2077		
Debentures (Junior Subordinated) 2079 5.650%	688	688	688	688	688	688	5.65%	15/3/2019	1/3/2079		
Debentures (Junior Subordinated) 2079 5.650%	500	500	500	500	500	500	5.65%	4/4/2019	1/5/2079		
Term Loans 2023 1.290%	513	513	-	-	-	513	1.29%	30/6/2020	30/6/2023		
Term Loans 2021 0.800%	1	-	-	-	-	1	0.80%	19/12/2013	19/12/2021		
Term Loans 2022 1.000%	89	-	-	-	-	89	1.00%	12/2/2016	14/2/2022		
Term Loans 2021 0.850%	120	-	-	-	-	120	0.85%	28/12/2016	28/12/2021		
Term Loans 2030 2.630%	90	90	90	90	90	90	2.63%	30/9/2010	30/9/2030		
Term Loans 2022 VAR	250	-	-	-	-	250	0.70%	14/9/2018	28/8/2022		
Term Loans 2024 VAR	300	300	300	-	-	300	0.70%	7/12/2018	24/2/2024		
Term Loans 2022 VAR	250	-	-	-	-	250	0.70%	4/4/2019	27/7/2022		
Term Loans 2023 VAR	445	445	-	-	-	445	0.70%	6/8/2021	6/8/2023		
Total - NEECH	29,102	26,543	19,384	16,684	10,934						
NEER						NEER					
Other Debt 2029 Fixed & VAR	80	73	73	73	73	80	2.72%	21/12/2011	31/12/2029	Current Portf	6
Other Debt 2032 Fixed & VAR	108	101	101	101	101	108	2.72%	18/11/2014	15/12/2032		8
Other Debt 2032 Fixed & VAR	97	90	90	90	90	97	2.72%	18/11/2014	15/12/2032		7
Other Debt 2036 Fixed & VAR	430	405	405	405	405	430	2.72%	27/2/2015	7/3/2036		25
Other Debt 2032 Fixed & VAR	56	48	48	48	48	56	2.72%	23/12/2014	30/11/2032		8
Other Debt 2023 11.180%	-	-	-	-	-	0	11.18%	30/12/2014	31/12/2024		0
Other Debt 2033 Fixed & VAR	157	145	145	145	145	157	2.72%	28/4/2015	15/4/2033		11
Other Debt 2033 Fixed & VAR	29	27	27	27	27	29	2.72%	18/9/2015	17/10/2033		2
Other Debt 2040 Fixed & VAR	8	8	8	8	8	8	2.72%	22/4/2016	1/12/2040		0
Other Debt 2034 Fixed & VAR	144	133	133	133	133	144	2.72%	27/9/2016	17/1/2034		10
Other Debt 2026 11.180%	-	-	-	-	-	0	11.18%	16/11/2016	30/11/2026		0
Other Debt 2026 11.180%	-	-	-	-	-	0	11.18%	16/11/2016	30/11/2026		0
Other Debt 2034 Fixed & VAR	103	97	97	97	97	103	2.72%	30/11/2016	30/11/2034		6
Other Debt 2034 Fixed & VAR	103	96	96	96	96	103	2.72%	30/11/2016	30/11/2034		6
Other Debt 2026 11.180%	-	-	-	-	-	0	11.18%	16/12/2016	30/11/2026		0
Other Debt 2026 Fixed & VAR	158	156	156	156	156	158	2.72%	9/1/2017	30/10/2026		1
Other Debt 2026 Fixed & VAR	143	142	142	142	142	143	2.72%	10/1/2017	30/10/2026		1
Other Debt 2035 Fixed & VAR	32	29	29	29	29	32	2.72%	21/7/2017	31/7/2035		2
Other Debt 2037 3.500%	175	170	170	170	170	175	3.50%	28/7/2017	30/6/2037		5
Other Debt 2027 VAR	25	25	25	25	25	25	2.72%	25/8/2017	31/12/2027		0
Other Debt 2036 4.530%	59	57	57	57	57	59	4.53%	21/12/2017	31/1/2036		2
Other Debt 2028 VAR	25	25	25	25	25	25	2.72%	21/12/2017	31/3/2028		0
Other Debt 2028 VAR	39	39	39	39	39	39	2.72%	28/12/2017	31/3/2028		0
Other Debt 2028 11.180%	1	1	1	1	1	1	11.18%	17/4/2018	30/4/2028		1
Other Debt 2036 Fixed & VAR	38	37	37	37	37	38	2.72%	21/5/2018	30/4/2036		1
Other Debt 2028 11.180%	8	7	7	7	7	8	11.18%	27/8/2018	31/8/2028		1
Other Debt 2037 4.260%	70	68	68	68	68	70	4.26%	10/10/2018	30/6/2037		2
Other Debt 2037 3.200%	64	60	60	60	60	64	3.20%	29/11/2018	31/12/2037		4
Other Debt 2029 4.940%	60	60	60	60	60	60	4.94%	31/12/2018	2/1/2029		0
Other Debt 2029 11.180%	-	-	-	-	-	0	11.18%	27/3/2019	31/3/2029		0
Other Debt 2037 Fixed & VAR	51	50	50	50	50	51	2.72%	8/2/2019	31/7/2037		2
Other Debt 2026 Fixed & VAR	67	64	64	64	64	67	2.72%	22/10/2019	30/9/2026		2
Other Debt 2027 Fixed & VAR	311	298	298	298	298	311	2.72%	6/12/2019	31/12/2027		13
Other Debt 2030 11.180%	5	5	5	5	5	5	11.18%	11/12/2019	31/12/2030		0
Other Debt 2039 2.110%	52	50	50	50	50	52	2.11%	13/12/2019	3/1/2039		2
Other Debt 2049 4.090%	225	225	225	225	225	225	4.09%	19/12/2019	19/12/2049		0
Other Debt 2024 Fixed & VAR	317	298	298	-	-	317	2.72%	30/12/2019	30/12/2024		19
Other Debt 2040 9.400%	26	25	25	25	25	26	9.40%	3/10/2020	15/11/2040		1
Other Debt 2040 11.450%	2	2	2	2	2	2	11.45%	15/11/2020	15/10/2040		0
Other Debt 2040 1.270%	58	57	57	57	57	58	1.27%	9/11/2020	3/1/2040		1
Other Debt 2030 11.180%	2	2	2	2	2	2	11.18%	2/12/2020	31/12/2030		0
Other Debt 2030 Fixed & VAR	383	353	353	353	353	383	2.72%	29/12/2020	31/12/2030		30
Other Debt 2028 4.700%	260	260	260	260	260	260	4.70%	15/7/2021	1/5/2028		0
Other Debt 2038 2.920%	1,513	1,412	1,412	1,412	1,412	1,513	2.92%	15/7/2021	15/8/2038		101
Lone Star - Senior Notes 2021 2.450%	35	-	-	-	-	35	2.45%	17/7/2014	15/12/2021		35
Lone Star - Senior Notes 2024 3.520%	50	50	50	-	-	50	3.52%	17/7/2014	15/6/2024		0
Lone Star - Senior Notes 2029 3.720%	50	50	50	50	50	50	3.72%	17/7/2014	15/6/2029		0
Lone Star - Senior Notes 2034 3.930%	60	60	60	60	60	60	3.93%	17/7/2014	15/6/2034		0
Lone Star - Senior Notes 2044 4.420%	80	80	80	80	80	80	4.42%	17/7/2014	15/6/2044		0
Lone Star - Senior Notes 2049 3.440%	70	70	70	70	70	70	3.44%	12/12/2019	15/12/2049		0
Lone Star - Revolving Credit Facility 2023 VAR	19	19	-	-	-	19	2.72%	31/1/2020	14/12/2023		0
Lone Star - Revolving Credit Facility 2023 VAR	7	7	-	-	-	7	2.72%	29/6/2021	14/12/2023		0
Lone Star - Revolving Credit Facility 2023 VAR	13	13	-	-	-	13	2.72%	28/9/2021	14/12/2023		0
TransBay Cable 2047 3.820%	222	211	211	211	211	222	3.82%	30/6/2017	30/6/2047		11
TransBay Cable 2047 2.930%	151	143	143	143	143	151	2.93%	30/6/2017	30/6/2047		8
TransBay Cable - Term Loan 2022 VAR	22	-	-	-	-	22	2.72%	26/4/2021	30/6/2022		22
Nextbridge Holdings LLC - Revolving Credit Facility 2022 VAR	243	-	-	-	-	243	2.72%	30/10/2019	30/10/2022		0
GridLiance West LLC 2024 VAR	62	62	62	-	-	62	2.72%	1/8/2019	1/8/2024		0
GridLiance High Plains 2024 VAR	52	52	52	-	-	52	2.72%	1/8/2019	1/8/2024		0
Total - NEER	6,616	6,015	5,976	5,514	5,514	Average	323	3.1%			
Total principal outstanding	54,620	50,723	41,978	38,170	30,720						

Debt Schedule

(USD million, Financial Year End Dec. 31)

Coupon payment

FPL including Gulf Power

	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F
First Mortgage Bonds 2033 5.850%				10.0	10.0	10.0	10.0	10.0
First Mortgage Bonds 2034 5.630%				23.5	23.5	23.5	23.5	23.5
First Mortgage Bonds 2033 5.950%				16.2	16.2	16.2	16.2	16.2
First Mortgage Bonds 2035 5.650%				11.6	11.6	11.6	11.6	11.6
First Mortgage Bonds 2033 4.950%				14.9	14.9	14.9	14.9	14.9
First Mortgage Bonds 2035 5.400%				12.4	12.4	12.4	12.4	12.4
First Mortgage Bonds 2036 6.200%				13.6	13.6	13.6	13.6	13.6
First Mortgage Bonds 2037 5.650%				22.3	22.3	22.3	22.3	22.3
First Mortgage Bonds 2037 5.850%				13.5	13.5	13.5	13.5	13.5
First Mortgage Bonds 2038 5.950%				35.7	35.7	35.7	35.7	35.7
First Mortgage Bonds 2039 5.960%				29.8	29.8	29.8	29.8	29.8
First Mortgage Bonds 2040 5.690%				28.5	28.5	28.5	28.5	28.5
First Mortgage Bonds 2041 5.250%				21.0	21.0	21.0	21.0	21.0
First Mortgage Bonds 2041 5.130%				12.8	12.8	12.8	12.8	12.8
First Mortgage Bonds 2042 4.130%				24.8	24.8	24.8	24.8	24.8
First Mortgage Bonds 2042 3.800%				24.3	24.3	24.3	24.3	24.3
First Mortgage Bonds 2042 4.050%				15.2	15.2	15.2	15.2	15.2
First Mortgage Bonds 2023 2.750%				13.8	13.8	-	-	-
First Mortgage Bonds 2024 3.250%				16.3	16.3	16.3	-	-
First Mortgage Bonds 2044 4.050%				20.3	20.3	20.3	20.3	20.3
First Mortgage Bonds 2025 3.130%				18.8	18.8	18.8	18.8	-
First Mortgage Bonds 2047 3.700%				25.9	25.9	25.9	25.9	25.9
First Mortgage Bonds 2048 3.950%				39.5	39.5	39.5	39.5	39.5
First Mortgage Bonds 2048 4.130%				20.6	20.6	20.6	20.6	20.6
First Mortgage Bonds 2049 3.990%				23.9	23.9	23.9	23.9	23.9
First Mortgage Bonds 2049 3.150%				25.2	25.2	25.2	25.2	25.2
First Mortgage Bonds 2025 2.850%				31.4	31.4	31.4	31.4	-
Jacksonville 2027 VAR				0.0	0.0	0.0	0.0	0.0
Jacksonville 2024 VAR				0.1	0.1	0.1	-	-
Manatee 2024 VAR				0.0	0.0	0.0	-	-
Putnam 2024 VAR				0.0	0.0	0.0	-	-
Jacksonville 2029 VAR				0.1	0.1	0.1	0.1	0.1
Martin 2022 VAR				0.1	-	-	-	-
St. Lucie 2028 VAR				0.3	0.3	0.3	0.3	0.3
St. Lucie 2024 VAR				0.1	0.1	0.1	-	-
Miami-Dade 2023 VAR				0.0	0.0	-	-	-
Broward 2045 VAR				0.1	0.1	0.1	0.1	0.1
Lee County 2046 VAR				0.0	0.0	0.0	0.0	0.0
Lee County 2046 VAR				0.0	0.0	0.0	0.0	0.0
Monroe County 2047 VAR				0.1	0.1	0.1	0.1	0.1
Broward 2048 VAR				0.0	0.0	0.0	0.0	0.0
Broward 2048 VAR				0.0	0.0	0.0	0.0	0.0
Monroe County 2049 VAR				0.1	0.1	0.1	0.1	0.1
Miami-Dade 2046 VAR				0.1	0.1	0.1	0.1	0.1
Escambia County 2022 VAR				0.0	-	-	-	-
Jackson County 2022 VAR				0.0	-	-	-	-
Monroe County 2037 VAR				0.1	0.1	0.1	0.1	0.1
Escambia County 2023 2.600%				0.8	0.8	-	-	-
Escambia County 2039 1.800%				1.2	1.2	1.2	1.2	1.2
Escambia County 2039 VAR				0.1	0.1	0.1	0.1	0.1
Monroe County 2049 VAR				0.0	0.0	0.0	0.0	0.0
Jackson County 2042 VAR				0.0	0.0	0.0	0.0	0.0
Jackson County 2044 VAR				0.0	0.0	0.0	0.0	0.0
Monroe County 2049 VAR				0.1	0.1	0.1	0.1	0.1
Mississippi State 2049 VAR				0.1	0.1	0.1	0.1	0.1
Bay County 2050 VAR				0.1	0.1	0.1	0.1	0.1
Qualified Replacement Property Note 2068 VAR				0.1	0.1	0.1	0.1	0.1
Qualified Replacement Property Note 2068 VAR				0.1	0.1	0.1	0.1	0.1
Qualified Replacement Property Note 2069 VAR				0.1	0.1	0.1	0.1	0.1
Qualified Replacement Property Note 2070 VAR				0.2	0.2	0.2	0.2	0.2
Qualified Replacement Property Note 2070 VAR				0.2	0.2	0.2	0.2	0.2
Qualified Replacement Property Note 2071 VAR				0.2	0.2	0.2	0.2	0.2
Floating Rate Note 2023 VAR				3.0	3.0	-	-	-
Floating Rate Note 2071 VAR				0.6	0.6	0.6	0.6	0.6
Senior Notes 2040 5.100%				6.4	6.4	6.4	6.4	6.4
Senior Notes 2022 3.100%				3.1	-	-	-	-
Senior Notes 2043 5.000%				4.5	4.5	4.5	4.5	4.5
Senior Notes 2044 4.550%				9.1	9.1	9.1	9.1	9.1
Senior Notes 2027 3.300%				9.9	9.9	9.9	9.9	9.9
Term Loans 2022 VAR				2.1	-	-	-	-
Term Loans 2022 VAR				1.4	-	-	-	-
Other Debt 2046 7.900%				0.6	0.6	0.6	0.6	0.6

Debt Schedule									
(USD million, Financial Year End Dec. 31)		2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F
NEECH									
Debentures 2023 3.630%					9.1	9.1	-	-	-
Debentures 2027 3.550%					52.9	52.9	52.9	52.9	52.9
Debentures 2023 2.800%					14.0	14.0	-	-	-
Debentures 2022 VAR					3.6	-	-	-	-
Debentures 2022 2.900%					29.0	-	-	-	-
Debentures 2024 3.150%					28.4	28.4	28.4	-	-
Debentures 2026 3.250%					9.8	9.8	9.8	9.8	9.8
Debentures 2029 3.500%					17.5	17.5	17.5	17.5	17.5
Debentures 2029 2.750%					27.5	27.5	27.5	27.5	27.5
Debentures 2022 1.950%					8.8	-	-	-	-
Debentures 2026 2.200%					7.9	7.9	7.9	7.9	7.9
Debentures 2025 2.750%					34.4	34.4	34.4	34.4	-
Debentures 2030 2.250%					45.0	45.0	45.0	45.0	45.0
Debentures 2023 VAR					7.1	7.1	-	-	-
Debentures 2023 0.650%					13.0	13.0	-	-	-
Debentures 2023 VAR					3.0	3.0	-	-	-
Debentures 2028 1.900%					28.5	28.5	28.5	28.5	28.5
Debentures related to NEE equity units 2024 2.100%					31.5	31.5	31.5	-	-
Debentures related to NEE equity units 2025 1.840%					46.0	46.0	46.0	46.0	-
Debentures related to NEE equity units 2025 0.510%					10.2	10.2	10.2	10.2	-
Debentures (Junior Subordinated) 2066 Fixed & VAR					7.0	7.0	7.0	7.0	7.0
Debentures (Junior Subordinated) 2067 Fixed & VAR					7.0	7.0	7.0	7.0	7.0
Debentures (Junior Subordinated) 2076 5.250%					29.9	29.9	29.9	29.9	29.9
Debentures (Junior Subordinated) 2057 5.110%					38.6	38.6	38.6	38.6	38.6
Debentures (Junior Subordinated) 2077 4.800%					26.4	26.4	26.4	26.4	26.4
Debentures (Junior Subordinated) 2079 5.650%					38.8	38.8	38.8	38.8	38.8
Debentures (Junior Subordinated) 2079 5.650%					28.3	28.3	28.3	28.3	28.3
Term Loans 2023 1.290%					6.6	6.6	-	-	-
Term Loans 2021 0.800%					0.0	-	-	-	-
Term Loans 2022 1.000%					0.9	-	-	-	-
Term Loans 2021 0.850%					1.0	-	-	-	-
Term Loans 2030 2.630%					2.4	2.4	2.4	2.4	2.4
Term Loans 2022 VAR					1.8	-	-	-	-
Term Loans 2024 VAR					2.1	2.1	2.1	-	-
Term Loans 2022 VAR					1.8	-	-	-	-
Term Loans 2023 VAR					3.1	3.1	-	-	-

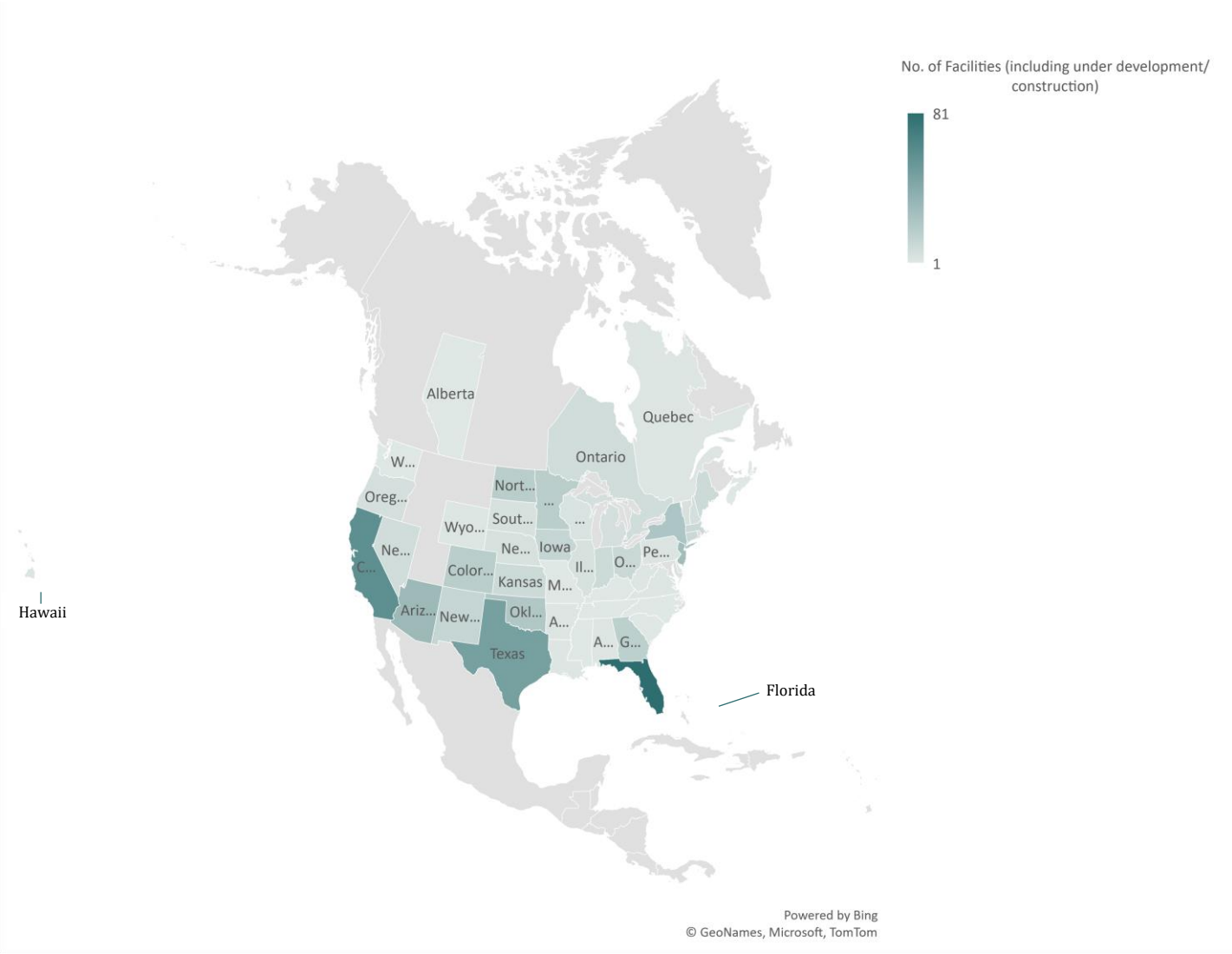
Debt Schedule	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F
(USD million, Financial Year End Dec. 31)								
NEER								
Other Debt 2029 Fixed & VAR				2.2	2.0	2.0	2.0	2.0
Other Debt 2032 Fixed & VAR				2.9	2.7	2.7	2.7	2.7
Other Debt 2032 Fixed & VAR				2.6	2.4	2.4	2.4	2.4
Other Debt 2036 Fixed & VAR				11.7	11.0	11.0	11.0	11.0
Other Debt 2032 Fixed & VAR				1.5	1.3	1.3	1.3	1.3
Other Debt 2023 11.180%				-	-	-	-	-
Other Debt 2033 Fixed & VAR				4.3	4.0	4.0	4.0	4.0
Other Debt 2033 Fixed & VAR				0.8	0.7	0.7	0.7	0.7
Other Debt 2040 Fixed & VAR				0.2	0.2	0.2	0.2	0.2
Other Debt 2034 Fixed & VAR				3.9	3.6	3.6	3.6	3.6
Other Debt 2026 11.180%				-	-	-	-	-
Other Debt 2026 11.180%				-	-	-	-	-
Other Debt 2034 Fixed & VAR				2.8	2.6	2.6	2.6	2.6
Other Debt 2034 Fixed & VAR				2.8	2.6	2.6	2.6	2.6
Other Debt 2026 11.180%				-	-	-	-	-
Other Debt 2026 Fixed & VAR				4.3	4.2	4.2	4.2	4.2
Other Debt 2026 Fixed & VAR				3.9	3.9	3.9	3.9	3.9
Other Debt 2035 Fixed & VAR				0.9	0.8	0.8	0.8	0.8
Other Debt 2037 3.500%				6.1	5.9	5.9	5.9	5.9
Other Debt 2027 VAR				0.7	0.7	0.7	0.7	0.7
Other Debt 2036 4.530%				2.7	2.6	2.6	2.6	2.6
Other Debt 2028 VAR				0.7	0.7	0.7	0.7	0.7
Other Debt 2028 VAR				1.1	1.1	1.1	1.1	1.1
Other Debt 2028 11.180%				0.1	0.1	0.1	0.1	0.1
Other Debt 2036 Fixed & VAR				1.0	1.0	1.0	1.0	1.0
Other Debt 2028 11.180%				0.9	0.8	0.8	0.8	0.8
Other Debt 2037 4.260%				3.0	2.9	2.9	2.9	2.9
Other Debt 2037 3.200%				2.0	1.9	1.9	1.9	1.9
Other Debt 2029 4.940%				3.0	3.0	3.0	3.0	3.0
Other Debt 2029 11.180%				-	-	-	-	-
Other Debt 2037 Fixed & VAR				1.4	1.4	1.4	1.4	1.4
Other Debt 2026 Fixed & VAR				1.8	1.7	1.7	1.7	1.7
Other Debt 2027 Fixed & VAR				8.5	8.1	8.1	8.1	8.1
Other Debt 2030 11.180%				0.5	0.5	0.5	0.5	0.5
Other Debt 2039 2.110%				1.1	1.1	1.1	1.1	1.1
Other Debt 2049 4.090%				9.2	9.2	9.2	9.2	9.2
Other Debt 2024 Fixed & VAR				8.6	8.1	8.1	-	-
Other Debt 2040 9.400%				2.4	2.4	2.4	2.4	2.4
Other Debt 2040 11.450%				0.2	0.2	0.2	0.2	0.2
Other Debt 2040 1.270%				0.7	0.7	0.7	0.7	0.7
Other Debt 2030 11.180%				0.2	0.2	0.2	0.2	0.2
Other Debt 2030 Fixed & VAR				10.4	9.6	9.6	9.6	9.6
Other Debt 2028 4.700%				12.2	12.2	12.2	12.2	12.2
Other Debt 2038 2.920%				44.2	41.2	41.2	41.2	41.2
Lone Star - Senior Notes 2021 2.450%				0.9	-	-	-	-
Lone Star - Senior Notes 2024 3.520%				1.8	1.8	1.8	-	-
Lone Star - Senior Notes 2029 3.720%				1.9	1.9	1.9	1.9	1.9
Lone Star - Senior Notes 2034 3.930%				2.4	2.4	2.4	2.4	2.4
Lone Star - Senior Notes 2044 4.420%				3.5	3.5	3.5	3.5	3.5
Lone Star - Senior Notes 2049 3.440%				2.4	2.4	2.4	2.4	2.4
Lone Star - Revolving Credit Facility 2023 VAR				0.5	0.5	-	-	-
Lone Star - Revolving Credit Facility 2023 VAR				0.2	0.2	-	-	-
Lone Star - Revolving Credit Facility 2023 VAR				0.3	0.3	-	-	-
TransBay Cable 2047 3.820%				8.5	8.1	8.1	8.1	8.1
TransBay Cable 2047 2.930%				4.4	4.2	4.2	4.2	4.2
TransBay Cable - Term Loan 2022 VAR				0.6	-	-	-	-
Nextbridge Holdings LLC - Revolving Credit Facility 2022 VAR				6.6	-	-	-	-
GridLiance West LLC 2024 VAR				1.7	1.7	1.7	-	-
GridLiance High Plains 2024 VAR				1.4	1.4	1.4	-	-
Total coupon outstanding				1,438	1,367	1,293	1,201	1,061

Figure B: List of Key Management

Name	Position	Experience
James L. Robo	Chairman & CEO of NEE	Mr Robo was appointed as the president and CEO of NEE since 2012 and became the chairman of the board of directors in 2013. He is also the chairman of FPL, CEO and Chairman of NEP. He is concurrently a lead independent director of J.B Hunt Transport Services, Inc, one of the largest transportation logistics companies in North America since 2012. He joined NEE in 2002 as the VP of corporate development and strategy before becoming the President and COO of NEE. Before NEE, he was a division president and CEO at GE Capital and vice president of a management consulting firm, Strategic Planning Associates. He has a Bachelor of Arts (Summa Cum Laude) from Harvard College and an MBA from Harvard Business School.
John W. Ketchum	President & CEO of NEER	Mr Ketchum was appointed as the president and CEO of NEER in 2018. He is also the president and member of the board of directors of NEP. He joined NEE in 2002 and held leadership roles such as executive vice president and CFO of NEE, FPL and NEP. Mr Ketchum served as vice chairman of the Finance Committee and Finance Advisory Executive Committee at the Wall Street Advisory Group for the Edison Electric Institute. He has a Master of Laws degree in taxation and a JD from the University of Missouri-Kansas City School of Law. He also has a Bachelor of Arts degree in economics and finance (Magna Cum Laude) from the University of Arizona.
Eric Silagy	President & CEO of FPL	Mr Silagy is the president & CEO of FPL since 2011 and 2014 respectively. He has previously held positions such as SVP of regulatory and state governmental affairs, and chief development officer at FPL. He has also held positions such as VP and GM of the Southern Region, and VP of Business Development. Prior to NEE, he was the VP of M&A and divestitures at Entergy Wholesale Operations and VP and Managing Director of Southeast Asia for The Wing Group, a subsidiary of Western Resources. He also served as the Chief of Staff for U.S Senator J. Bennett Johnston of Louisiana. He is a board of director of the Florida Chamber of Commerce where he served as a chairman in 2013-2014. He was also a former board member of the U.S Chamber of Commerce. He is currently a member of the Board of Governors for the State University System of Florida. He will also be the vice chair of the Florida Council of 100, an executive board member of Enterprise Florida. He also serves on the Energy Security Leadership Council of Securing America's Future Energy, supporting a policy to reduce U.S oil dependence and improve energy security. He holds a Bachelor of Arts degree in economics from the University of Texas at Austin, a JD from the Georgetown University Law Center and is a member of the Maryland and U.S Supreme Court Bars.
Charles E. Sieving	Executive Vice President & General Counsel of NEE	Mr Sieving is the EVP & General Counsel of NEE since 2008. He heads the corporate legal department which is responsible for the legal affairs of the company. He also oversees the company's environmental services, corporate secretary and compliance groups. He is also the general counsel of NEP. He also oversaw FPL FiberNet, the Group's fiber optic service provider from 2015 till its sale in 2017. Prior to NEE, he was the EVP, general counsel and secretary at a telecommunications company and partner in the Corporate Securities and Finance Practice group of Hogan & Hartson LLP. He has a JD from the University of Cincinnati College of Law and Bachelor of Arts degree from Denison University. He is also a member of the New York, Washington D.C and Ohio bars.
Mark E. Hickson	Executive Vice President, Corporate Development and Strategy of NEE	Mr Hickson is the EVP of Corporate Development and Strategy of NEE since 2017. He is responsible for the quality and process improvement initiatives, corporate strategy, M&A and integration activities. He is also on the board of directors and EVP of Corporate Development and Strategy at NEP. He previously held roles such as VP and SVP of corporate development since he joined NEE in 2012. Prior to NEE, he was the managing director in Global M&A at Merrill Lynch & Co. Mr Hickson has a bachelor's degree in aerospace engineering from Texas A&M University and Master of Business Administration from Columbia University.
Ron Reagan	Executive Vice President, Engineering & Construction and Integrated Supply Chain of NEE	Mr Reagan is the EVP of engineering & construction and integrated supply chain at NEE since 2020. He is responsible for power plant engineering, construction and sourcing activities. He previously held roles such as VP of engineering & construction, integrated supply chain, procurement and materials management as well as VP of asset operations and trading at NEER since he joined in 2006. He was also in the business management organisation where he oversaw renewable energy assets. He joined FPL in 1990 and held operational and management positions in the power generation division. Mr Reagan has a Bachelor of Science degree in electrical engineering from Clarkson University.

Rebecca J. Kujawa	Executive Vice President, Finance and CFO of NEE	Ms Kujawa is the EVP of Finance and CFO at NEE. She is also the EVP (Finance) and CFO of FPL, CFO and board of director of NEP. Since joining NEE in 2007, she has served as the VP of business management at NEER, VP of business management for Midwest and International region for NEER and director of investor relations for NEE. Prior to NEE, she was an SVP of equity research at Stanford Group Company and equity derivatives analyst at Goldman Sachs. She is a Chartered Financial Analyst (CFA) and has a Bachelor of Arts degree in public policy studies from Duke University.
Deborah H. Caplan	Executive Vice President, Human Resources and Corporate Services of NEE	Ms Caplan is the EVP of HR and corporate services for NEE. She is responsible for workforce initiatives which includes recruitment, employee development and diversity and inclusion programs. She is also involved in shared services such as corporate real estate, corporate security and aviation. She has held roles such as VP and COO of FPL and VP of integrated supply chain at NEE. Prior to NEE, she was the SVP of global operations for Vendor Financial Services under General Electric and held roles in customer service, operations, manufacturing, Six Sigma and project management at GE Capital and Aircraft Engines. She has a bachelor's degree in aerospace engineering from the University of Michigan and a Master's degree in manufacturing engineering from Boston University. She is a certified Six Sigma Master Black Belt, a prominent operations and supply chain certification. She is also a member of the National Petroleum Council, an oil and natural gas advisory committee to the U.S Secretary of Energy. She is also on the boards for the HR Policy Associations, the Health Transformation Alliance, the Center for Energy Workforce Development, the Association to Advance Collegiate Schools of Business, the Urban League-Palm Beach County and the American Heart Association-Palm Beach County. Ms. Caplan is also a member of the International Women's Forum.
Miguel Arechabala	Executive Vice President, Power Generation Division of NEE	Mr Arechabala is EVP of the power generation division of NEE since 2014.. He is responsible for the power production activities for all renewable and fossil-fuelled plants of NEE's principal subsidiaries, FPL, Gulf Power Company and NEER. He also served as president of NextEra Energy España, a subsidiary responsible for development, construction and operations of two solar thermal power plants in southwestern Spain. Before that, he was VP of operations for all unregulated thermal and hydro generating assets at NEER, and prior to that operated plants in Texas for the same subsidiary. Earlier, he held positions including plant general manager at FPL's Martin plant, beginning his career as a summer intern at FPL's Port Everglades power plant in 1981. He has a Bachelor of Science degree in mechanical engineering from the University of Miami and a Master of Science degree in engineering management from the University of South Florida. He is also a certified Six Sigma Black Belt.
Bob Coffey	Executive Vice President, Nuclear Division and Chief Nuclear Officer of NEE	Mr Coffey is the Chief Nuclear Officer of NEE's Nuclear Fleet. He joined the company in 2003 and has held positions of within the nuclear fleet and corporate office during his tenure, most recently as the corporate nuclear vice president. He also served the nuclear organization as VP for the southern region and site VP for multiple sites. Prior to NEE, he served in the U.S. Navy Nuclear Submarine Force from 1982 to 2003 and retired as a senior chief electrician. He has a Bachelor of Science degree in Nuclear Engineering Technology from Thomas Edison State College, a Masters of Business Administration from Regis University and a Doctorate of Management in Organizational Leadership from the University of Phoenix.

Figure C: Geographic Concentration of NEE’s Facilities



Country	States	No. of Facilities (including under development/construction)	Solar Universal	Solar Small-Scale	Wind	Battery Energy Storage	Natural Gas	Nuclear	Transmission Line	Pipeline	Transmission Substation	Others
United States	Alabama	2	1	-	-	-	-	-	-	1	-	-
	Arizona	31	5	19	2	5	-	-	-	-	-	-
	Arkansas	2	2	-	-	-	-	-	-	-	-	-
	California	59	15	21	10	10	-	-	1	-	2	-
	Colorado	18	4	2	10	2	-	-	-	-	-	-
	Connecticut	11	5	5	-	1	-	-	-	-	-	-
	Delaware	1	-	1	-	-	-	-	-	-	-	-
	Florida	81	43	3	-	12	15	2	1	2	-	3
	Georgia	17	7	8	-	1	-	-	-	-	-	1
	Hawaii	3	-	3	-	-	-	-	-	-	-	-
	Illinois	5	1	1	2	1	-	-	-	-	-	-
	Indiana	10	4	-	2	3	-	-	1	-	-	-
	Iowa	13	-	-	11	-	-	1	-	-	-	1
	Kansas	10	-	-	10	-	-	-	-	-	-	-
	Kentucky	1	1	-	-	-	-	-	-	-	-	-
	Louisiana	2	-	-	-	-	-	-	-	1	-	1

	Maine	10	6	1	-	1	1	-	-	-	-	1
	Massachusetts	11	-	7	-	3	1	-	-	-	-	-
	Michigan	6	-	1	5	-	-	-	-	-	-	-
	Minnesota	18	1	9	7	1	-	-	-	-	-	-
	Mississippi	1	-	-	-	-	-	-	-	-	-	1
	Missouri	1	-	-	1	-	-	-	-	-	-	-
	Nebraska	5	-	1	4	-	-	-	-	-	-	-
	Nevada	8	5	-	-	3	-	-	-	-	-	-
	New Hampshire	6	4	-	-	-	-	1	-	-	1	-
	New Jersey	29	1	27	-	1	-	-	-	-	-	-
	New Mexico	13	5	1	5	2	-	-	-	-	-	-
	New York	24	8	11	1	3	-	-	1	-	-	-
	North Carolina	1	1	-	-	-	-	-	-	-	-	-
	North Dakota	18	-	-	16	-	-	-	-	2	-	-
	Ohio	11	-	11	-	-	-	-	-	-	-	-
	Oklahoma	22	1	-	17	2	-	-	-	1	-	1
	Oregon	6	1	1	3	1	-	-	-	-	-	-
	Pennsylvania	3	-	1	-	1	-	-	-	1	-	-
	South Carolina	1	1	-	-	-	-	-	-	-	-	-
	South Dakota	5	-	-	5	-	-	-	-	-	-	-
	Tennessee	1	1	-	-	-	-	-	-	-	-	-
	Texas	48	3	3	25	1	-	-	2	7	6	1
	Vermont	5	5	-	-	-	-	-	-	-	-	-
	Virginia	2	1	1	-	-	-	-	-	-	-	-
	Washington	1	-	-	1	-	-	-	-	-	-	-
	West Virginia	2	-	-	-	-	-	-	-	2	-	-
	Wisconsin	4	2	-	1	-	-	1	-	-	-	-
	Wyoming	2	-	-	2	-	-	-	-	-	-	-
Canada	Alberta	1	-	-	1	-	-	-	-	-	-	-
	Nova Scotia	1	-	-	1	-	-	-	-	-	-	-
	Ontario	8	-	-	5	2	-	-	1	-	-	-
	Quebec	2	-	-	2	-	-	-	-	-	-	-

Figure D: Comparable Companies

Ticker	Company Name	Description	Geographic Location
NYSE:ETR	Entergy Corporation	Entergy Corporation engages in the production and distribution of electricity in the United States. The company generates electricity through gas/oil, nuclear, coal, hydro, and solar power sources. The company generates, transmits, distributes, and sells electric power.	United States
NYSE:DUK	Duke Energy Corporation	Duke Energy Corporation operates as an energy company in the United States. It generates, transmits, distributes, and sells electricity from coal, hydroelectric, natural gas, oil, renewable sources, and nuclear fuel. Apart from natural gas distribution to customers; it owns, operates, and invests in pipeline transmission and storage facilities. It also acquires, owns, develops, builds, and operates wind and solar renewable generation projects, including nonregulated renewable energy and energy storage services.	United States
NYSE:SO	The Southern Company	The Southern Company, through its subsidiaries, engages in the generation, transmission, and distribution of electricity. The company also constructs, acquires, owns, and manages power generation assets, including renewable energy and battery energy storage projects and sells electricity in the wholesale market; and distributes natural gas as well as provides gas marketing services, wholesale gas services, and gas pipeline investments operations.	United States
NasdaqGS:EXC	Exelon Corporation	Exelon Corporation, a utility services holding company, engages in the energy generation, delivery, and marketing businesses in the United States and Canada. It owns nuclear, fossil, wind, hydroelectric, biomass, and solar generating facilities. The company also sells electricity to wholesale and retail customers. It is also involved in the purchase and regulated retail sale of electricity and natural gas; and transmission and distribution of electricity, and distribution of natural gas to retail customers.	United States
NYSE:FE	FirstEnergy Corp.	FirstEnergy Corp. generates, transmits, and distributes electricity in the United States. The company operates through Regulated Distribution and Regulated Transmission segments. It operates overhead and underground transmission lines; and electric distribution systems, including overhead pole lines and underground conduits carrying primary, secondary, and street lighting circuits, as well as owns substations.	United States
NYSE:PCG	PG&E Corporation	PG&E Corporation, through its subsidiary, Pacific Gas and Electric Company, engages in the sale and delivery of electricity and natural gas to customers in northern and central California, the United States. It generates electricity using nuclear, hydroelectric, fossil fuel-fired, fuel cell, and photovoltaic sources. It also has various storage facilities. It serves residential, commercial, industrial, and agricultural customers, as well as natural gas-fired electric generation facilities.	United States
NYSE:D	Dominion Energy, Inc.	Dominion Energy, Inc. produces and distributes energy. It generates, transmits, and distributes regulated electricity to customers, regulates natural gas gathering, transportation, distribution, and sales activities, as well as distributes nonregulated renewable natural gas. It also generates, transmits, and distributes electricity and natural gas. It is also involved in energy marketing and price risk activities. It owns infrastructures such as electric transmission lines; electric distribution lines; and gas distribution lines.	United States
NYSE:ES	Eversource Energy	Eversource Energy, engages in the energy delivery business. It is involved in the transmission and distribution of electricity; solar power facilities; and distribution of natural gas. The company operates regulated water utilities that provide water services. It serves residential, commercial, industrial, municipal and fire protection, and other customers.	United States
NasdaqGS:XEL	Xcel Energy Inc.	Xcel Energy Inc. generates, purchases, transmits, distributes, and sells electricity. The company generates electricity through coal, nuclear, natural gas, hydroelectric, solar, biomass, oil, wood/refuse, and wind energy sources. It also purchases and sells natural gas to retail customers, as well as transports customer-owned natural gas. In addition, the company develops and leases natural gas pipelines, and storage and compression facilities; and invests in rental housing projects, as well as procures equipment for the construction of renewable generation facilities. It serves residential, commercial, and industrial customers.	United States

NasdaqGS:AEP	American Electric Power Company, Inc.	American Electric Power Company, Inc. engages in the generation, transmission, and distribution of electricity for sale to retail and wholesale customers in the United States. The company generates electricity using coal and lignite, natural gas, nuclear, and hydroelectric, as well as solar, wind, and other energy sources. It also supplies and markets electric power at wholesale to other electric utility companies, rural electric cooperatives, municipalities, and other market participants. The company also owns, leases, or controls railcars, barges, towboats, and a coal handling terminal.	United States
NYSE:EIX	Edison International	Edison International, through its subsidiaries, generates and distributes electric power. Edison International also provides energy solutions to commercial and industrial users.	United States
NYSE:PPL	PPL Corporation	PPL Corporation, a utility holding company, delivers electricity and natural gas in the United States and the United Kingdom. It generates electricity from coal, gas, hydro, and solar sources in Kentucky; and sells wholesale electricity.	United States

Description	Seniority	Coupon	Offer Date	Offering Amt. (USD in millions)	Amt. Outstanding (USD in millions)	YTW	S&P Rating	Issued Currency
NextEra Energy Capital Holdings, Inc. 0.900% 25-FEB-2022	Senior Unsecured	0.900	Feb-22-2019	400.0	400.0	0.305	BBB+	USD
NextEra Energy Capital Holdings, Inc. 2.900% 01-APR-2022	Senior Unsecured	2.900	Mar-28-2019	1,000.0	1,000.0	0.712	BBB+	USD
Gulf Power Company 3.100% 15-MAY-2022	Senior Unsecured	3.100	May-15-2012	100.0	100.0	0.692	A	USD
NextEra Energy Capital Holdings, Inc. 1.950% 01-SEP-2022	Senior Unsecured	1.950	Oct-03-2019	450.0	450.0	0.470	BBB+	USD
NextEra Energy Capital Holdings, Inc. 2.800% 15-JAN-2023	Senior Unsecured	2.800	Dec-11-2017	500.0	500.0	1.023	BBB+	USD
NextEra Energy Capital Holdings, Inc. 0.430% 22-FEB-2023	Senior Unsecured	0.430	Feb-17-2021	1,650.0	1,650.0	0.579	BBB+	USD
NextEra Energy Capital Holdings, Inc. 0.650% 01-MAR-2023	Senior Unsecured	0.650	Mar-15-2021	2,000.0	2,000.0	0.761	BBB+	USD
Florida Power & Light Company 2.750% 01-JUN-2023	Senior Secured	2.750	May-30-2013	500.0	500.0	0.645	A+	USD
NextEra Energy Capital Holdings, Inc. 3.625% 15-JUN-2023	Senior Unsecured	3.625	Jun-03-2013	250.0	250.0	1.204	BBB+	USD
NextEra Energy Capital Holdings, Inc. 3.150% 01-APR-2024	Senior Unsecured	3.150	Mar-28-2019	900.0	900.0	1.186	BBB+	USD
Florida Power & Light Company 3.250% 01-JUN-2024	Senior Secured	3.250	May-12-2014	500.0	500.0	1.059	A+	USD
NextEra Energy Capital Holdings, Inc. 2.100% 01-SEP-2024	Senior Unsecured	2.100	Sep-05-2019	1,500.0	1,500.0	1.212	BBB	USD
NextEra Energy Capital Holdings, Inc. 1.840% 01-MAR-2025	Senior Unsecured	1.840	Feb-19-2020	2,500.0	2,500.0	-	BBB	USD
Florida Power & Light Company	Senior Secured	2.850	Mar-24-2020	1,100.0	1,100.0	1.369	A+	USD

2.850% 01-APR-2025								
NextEra Energy Capital Holdings, Inc. 2.750% 01-MAY-2025	Senior Unsecured	2.750	Apr-01-2020	1,250.0	1,250.0	1.531	BBB+	USD
NextEra Energy Capital Holdings, Inc. 0.509% 01-SEP-2025	Senior Unsecured	0.509	Sep-16-2020	2,000.0	2,000.0	-	BBB	USD
Florida Power & Light Company 3.125% 01-DEC-2025	Senior Secured	3.125	Nov-16-2015	600.0	600.0	-	-	USD
Florida Power & Light Company 3.125% 01-DEC-2025	Senior Secured	3.125	Nov-16-2015	600.0	600.0	1.344	A+	USD
NextEra Energy Capital Holdings, Inc. 3.250% 01-APR-2026	Senior Unsecured	3.250	Mar-28-2019	300.0	300.0	1.837	BBB+	USD
NextEra Energy Capital Holdings, Inc. 2.200% 02-DEC-2026	Senior Unsecured	2.200	Dec-02-2019	341.06	352.44	2.570	BBB+	AUD
NextEra Energy Capital Holdings, Inc. 3.550% 01-MAY-2027	Senior Unsecured	3.550	Apr-25-2017	1,250.0	1,490.0	1.999	BBB+	USD
NextEra Energy Capital Holdings, Inc. 3.300% 30-MAY-2027	Senior Unsecured	3.300	May-15-2017	300.0	300.0	1.786	A	USD
NextEra Energy Capital Holdings, Inc. 1.900% 15-JUN-2028	Senior Unsecured	1.900	Jun-02-2021	1,500.0	1,500.0	2.142	BBB+	USD
NextEra Energy Capital Holdings, Inc. 3.500% 01-APR-2029	Senior Unsecured	3.500	Mar-28-2019	500.0	500.0	2.286	BBB+	USD
NextEra Energy Capital Holdings, Inc. 2.750% 01-NOV-2029	Senior Unsecured	2.750	Oct-01-2019	1,000.0	1,000.0	2.286	BBB+	USD
NextEra Energy Capital Holdings, Inc. 2.250% 01-JUN-2030	Senior Unsecured	2.250	May-05-2020	2,000.0	2,000.0	2.300	BBB+	USD
Florida Power & Light Company 5.850% 01-FEB-2033	Senior Secured	5.850	Dec-10-2002	200.0	170.7	2.603	A+	USD
Florida Power & Light Company 5.950% 01-OCT-2033	Senior Secured	5.950	Oct-09-2003	300.0	272.44	2.567	A+	USD
Florida Power & Light Company 5.625% 01-APR-2034	Senior Secured	5.625	Mar-31-2003	500.0	418.17	2.445	A+	USD
Florida Power & Light Company 5.650% 01-FEB-2035	Senior Secured	5.650	Jan-26-2004	240.0	204.43	2.733	A+	USD
Florida Power & Light Company 4.950% 01-JUN-2035	Senior Secured	4.950	Jun-02-2005	300.0	300.0	2.471	A+	USD
Florida Power & Light Company 5.400% 01-SEP-2035	Senior Secured	5.400	Sep-19-2005	300.0	229.59	2.694	A+	USD
Florida Power & Light Company 6.200% 01-JUN-2036	Senior Secured	6.200	Nov-29-2006	300.0	219.16	2.706	A+	USD
Florida Power & Light Company 5.6500% 01-FEB-2037	Senior Secured	5.650	Jan-11-2006	400.0	394.99	2.776	A+	USD

Florida Power & Light Company 5.850% 01-MAY-2037	Senior Secured	5.850	Apr-12-2007	300.0	230.52	2.865	A+	USD
Florida Power & Light Company 5.950% 01-FEB-2038	Senior Secured	5.950	Jan-10-2008	600.0	600.0	2.728	A+	USD
Florida Power & Light Company 5.960% 01-APR-2039	Senior Secured	5.960	Mar-11-2009	500.0	500.0	2.748	A+	USD
Florida Power & Light Company 5.690% 01-MAR-2040	Senior Secured	5.690	Feb-03-2010	500.0	500.0	2.692	A+	USD
Gulf Power Company 5.100% 01-OCT-2040	Senior Unsecured	5.100	Sep-09-2010	125.0	125.0	3.517	A	USD
Florida Power & Light Company 5.250% 01-FEB-2041	Senior Secured	5.250	Dec-06-2010	400.0	400.0	2.754	A+	USD
Florida Power & Light Company 5.125% 01-JUN-2041	Senior Secured	5.125	Jun-06-2011	250.0	250.0	2.863	A+	USD
Florida Power & Light Company 4.125% 01-FEB-2042	Senior Secured	4.125	Dec-08-2011	600.0	600.0	2.798	A+	USD
Florida Power & Light Company 4.050% 01-JUN-2042	Senior Secured	4.050	May-10-2012	600.0	600.0	2.721	A+	USD
Florida Power & Light Company 3.800% 15-DEC-2042	Senior Secured	3.800	Dec-17-2012	400.0	400.0	2.750	A+	USD
Gulf Power Company 5.000% 15-JUN-2043	Senior Unsecured	5.000	Jun-10-2013	90.0	90.0	3.617	A	USD
Florida Power & Light Company 4.050% 01-OCT-2044	Senior Secured	4.050	Sep-02-2014	500.0	500.0	2.729	A+	USD
Gulf Power Company 4.550% 01-OCT-2044	Senior Unsecured	4.550	Sep-16-2014	200.0	200.0	3.457	A	USD
Florida Power & Light Company 3.700% 01-DEC-2047	Senior Secured	3.700	Nov-13-2017	700.0	700.0	2.699	A+	USD
Florida Power & Light Company 3.950% 01-MAR-2048	Senior Secured	3.950	Feb-26-2018	1,000.0	1,000.0	2.735	A+	USD
Florida Power & Light Company 4.125% 01-JUN-2048	Senior Secured	4.125	May-03-2018	500.0	500.0	2.693	A+	USD
Florida Power & Light Company 3.990% 01-MAR-2049	Senior Secured	3.990	Feb-21-2019	600.0	600.0	2.746	A+	USD
Florida Power & Light Company 3.150% 01-OCT-2049	Senior Secured	3.150	Sep-10-2019	800.0	800.0	2.707	A+	USD
Florida Power & Light Company 2.875% 04-DEC-2051	Senior Secured	2.875	Nov-16-2021	1,200.0	1,200.0	2.597	A+	USD
NextEra Energy Capital Holdings, Inc. 5.110% 29-SEP-2057	Senior Unsecured	5.110	Sep-20-2017	755.0	755.0	3.573	-	USD
NextEra Energy Capital Holdings,	Junior Subordinate	5.110	Sep-20-2017	755.0	755.0	3.573	BBB	USD

Inc. 5.110% 29-SEP-2057								
NextEra Energy Capital Holdings, Inc. 2.198% 01-OCT-2066	Junior Subordinate	2.198	Sep-13-2006	350.0	338.96	2.430	BBB	USD
NextEra Energy Capital Holdings, Inc. 2.241% 15-JUN-2067	Junior Subordinate	2.241	Jun-06-2007	400.0	380.2	2.588	BBB	USD
NextEra Energy Capital Holdings, Inc. 5.250% 01-JUN-2076	Junior Subordinate	5.250	May-31-2016	500.0	570.0	-	BBB	USD
NextEra Energy Capital Holdings, Inc. 4.800% 01-DEC-2077	Junior Subordinate	4.800	Oct-30-2017	550.0	550.0	3.197	BBB	USD
NextEra Energy Capital Holdings, Inc. 5.650% 01-MAR-2079	Junior Subordinate	5.650	Mar-06-2019	600.0	600.0	-	BBB	USD
NextEra Energy Capital Holdings, Inc. 5.600% 01-MAY-2079	Junior Subordinate	5.650	Apr-01-2019	500.0	500.0	3.465	BBB	USD