News Releases

NextEra Energy Partners, LP completes the acquisition of natural gas pipelines in Texas

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The partnership also closes the acquisition of the Jericho Wind Energy Center

JUNO BEACH, Fla., Oct. 5, 2015 /PRNewswire/ -- NextEra Energy Partners, LP (NYSE: NEP) today announced that it has completed the previously announced acquisition of NET Midstream, a privately held developer, owner and operator of a portfolio of seven long-term contracted natural gas pipeline assets located in Texas. NextEra Energy Partners also announced the completion of the acquisition of the 149-megawatt (MW) Jericho Wind Energy Center in Ontario, Canada, from a subsidiary of its sponsor, NextEra Energy Resources, LLC. In addition, the partnership has closed $600 million of term loans, which completes its financing for the NET Midstream and Jericho acquisitions.

"I'm very pleased that we have completed the necessary financing and closed these two acquisitions, which support our growth strategy," said Jim Robo, chairman and chief executive officer. "The NET Midstream acquisition establishes NextEra Energy Partners' presence in the long-term contracted natural gas pipeline space and complements the partnership's existing renewables portfolio by reducing the impact of resource variability on our total portfolio. The Jericho acquisition further expands NextEra Energy Partners' renewables portfolio, demonstrating the strength of the pipeline for dropdowns from its sponsor. We expect both of these acquisitions to provide attractive yields to our investors, and we continue to view NextEra Energy Partners as the premier yieldco in the space."

The seven natural gas pipelines in the portfolio are all strategically located, serving power producers and municipalities in South Texas, processing plants and producers in the Eagle Ford Shale, and residential, commercial and industrial customers in the Houston area. The NET Mexico Pipeline, the largest pipeline in the portfolio, provides a critical source of natural gas transportation for low-cost, U.S.-sourced shale gas to Mexico under a 20-year ship-or-pay contract with a BBB+-rated, wholly owned subsidiary of Pemex Gas y Petroquimica Basica, a division of PEMEX, the Mexican state-owned oil and gas company. The NET Mexico Pipeline is 10 percent owned by a PEMEX subsidiary. The combined acquisition portfolio includes 3.0 billion cubic feet (Bcf) per day of ship-or-pay contracts, with on average investment-grade counterparty credit and

NextEra Energy Partners acquired NET Midstream for a total transaction value of approximately $2.1 billion, including $934 million in cash consideration and the assumption of approximately $654 million in existing debt, and excluding post-closing working capital and other adjustments. Of the $2.1 billion, roughly $500 million will be deferred, with $200 million payable 18 months after closing contingent upon no breach of representations and warranties by the seller, up to $200 million payable for certain expansion projects contingent upon satisfaction of certain financial performance and capital expenditure thresholds, and, if successful, up to approximately $100 million of capital expenditures for the expansion projects. The $300 million for the expansion projects is expected to be financed almost entirely with incremental future debt.

NextEra Energy Partners expects the NET Midstream acquisition to contribute adjusted EBITDA and CAFD of approximately $145 million to $155 million and $110 million to $120 million, respectively, on an annual run rate basis as of Dec. 31, 2015. If certain expansion projects are completed as planned, the acquisition is expected to contribute adjusted EBITDA and CAFD of approximately $190 million to $210 million and $135 million to $155 million, respectively, on an annual run rate basis as of Dec. 31, 2017.

For the NET Midstream acquisition, Wells Fargo Securities served as financial advisor to NextEra Energy Partners and Locke Lord served as legal counsel to the partnership.

In addition, NextEra Energy Partners acquired the 149-MW Jericho Wind Energy Center from its sponsor, NextEra Energy Resources, for a total purchase price of approximately $210 million in cash consideration, plus approximately $19 million in working capital (subject to post-closing adjustments), and assumed approximately $294 million in existing debt. The addition of the Jericho Wind Energy Center in Ontario, Canada, increases NextEra Energy Partners' renewables portfolio to more than 2,072 MW.

NextEra Energy Partners expects the Jericho acquisition to contribute adjusted EBITDA and CAFD of approximately $40 million to $45 million and approximately $20 million to $25 million, respectively, on an annual run rate basis as of Dec. 31, 2015. See Definitional Information below for definitions of adjusted EBITDA and CAFD for the NET Midstream and Jericho acquisitions.

The annual run rates for the NET Midstream and Jericho acquisitions are included in NextEra Energy Partners' previously provided annual run rate expectations as of Dec. 31, 2015 and Dec. 31, 2016.

In addition, NextEra Energy Partners (through a subsidiary) has completed the financing of its previously disclosed $1.5 billion capital need through the execution of several U.S. term loans totaling $600 million in the aggregate. With the term loans, as well as $213 million from the previously announced public issuance of common units representing limited partner interests in NextEra Energy Partners and the $702 million investment by NextEra Energy in additional NextEra Energy Partners operating company units, the partnership has completed its necessary financing for the payment of the NET Midstream acquisition cash purchase price, payment of the cash purchase price for the Jericho acquisition and repayment of the $313 million term loan for the purchase of the four wind assets acquired during the second quarter.

NextEra Energy Partners expects to reach a distribution level at an annualized rate of $1.23 per unit by the end of 2015 and, after 2015, expects per unit distributions to grow about 12 to 15 percent per year through 2020. These distribution levels assume, among other things, normal weather and operating conditions, public policy

Partners' cautionary statements and risk factors set forth below and in NextEra Energy Partners' filings with the Securities and Exchange Commission. Adjusted EBITDA and CAFD do not represent substitutes for net income, as prepared in accordance with generally accepted accounting principles. The expected run rates have not been reconciled to GAAP net income because NextEra Energy Partners did not prepare estimates of the effect of any acquisitions on certain GAAP line items that would be necessary to provide a forward-looking estimate of GAAP net income, and the information necessary to provide such a forward-looking estimate is not available without unreasonable effort.

NextEra Energy Partners, LP

NextEra Energy Partners, LP (NYSE: NEP) is a growth-oriented limited partnership formed by NextEra Energy, Inc. (NYSE: NEE) to acquire, manage and own contracted clean energy projects with stable, long-term cash flows. Headquartered in Juno Beach, Fla., NextEra Energy Partners owns interests in wind and solar projects in North America, as well as natural gas infrastructure assets in Texas. The renewable energy projects are fully contracted, use industry-leading technology and are located in regions that are favorable for generating energy from the wind and sun. The seven natural gas pipelines in the portfolio are all strategically located, serving power producers and municipalities in South Texas, processing plants and producers in the Eagle Ford Shale, and residential, commercial and industrial customers in the Houston area. The NET Mexico Pipeline, the largest pipeline in the portfolio, provides a critical source of natural gas transportation for low-cost, U.S.-sourced shale gas to Mexico. For more information about NextEra Energy Partners, please visit: www.NextEraEnergyPartners.com.

Definitional Information

NextEra Energy Partners, LP Adjusted EBITDA and CAFD Expectations for the NET Midstream and Jericho Acquisitions

This news release refers to adjusted EBITDA and CAFD expectations for the NET Midstream and Jericho acquisitions. NextEra Energy Partners' adjusted EBITDA expectations for these acquisitions represent projected revenue less fuel expense, project operating expenses, plus other income, less other deductions. Projected revenue as used in the calculations of projected EBITDA represents the sum of projected operating revenue plus the earnings impact from the amortization of convertible investment tax credits.

CAFD is defined as cash available for distribution and represents adjusted EBITDA less (1) a pre-tax allocation of production tax credits, less (2) a pre-tax allocation of the earnings impact from convertible investment tax credits, less (3) debt service, less (4) maintenance capital, less (5) income tax payments, less (6) other non-cash items included in adjusted EBITDA if any. CAFD excludes changes in working capital.

Cautionary Statements and Risk Factors That May Affect Future Results

This news release contains "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements are not statements of historical facts, but instead represent the current expectations of NextEra Energy Partners, LP (together with its subsidiaries, NEP) regarding future operating results and other future events, many of which, by their nature, are inherently uncertain and outside of NEP's control. In some cases, you can identify the forward-looking statements by words or phrases such as "will," "may result," "expect," "anticipate," "believe," "intend," "plan," "seek," "aim," "potential," "projection," uncertainties that could cause NEP's actual results to differ materially from those expressed or implied in the forward-looking statements, or may require it to limit or eliminate certain operations. These risks and uncertainties include, but are not limited to, the following: NEP has a limited operating history and its projects may not perform as expected; NEP's ability to make cash distributions to its unitholders is affected by wind and solar conditions at its projects; operation and maintenance of energy projects involve significant risks that could result in unplanned power outages or reduced output; the wind turbines at some of NEP's projects and at some of NextEra Energy Resources, LLC's (NEER) right of first offer projects (ROFO Projects) are not generating the amount of energy estimated by their manufacturers' original power curves, and the manufacturers may not be able to restore energy capacity at the affected turbines; NEP depends on certain of the projects in its portfolio for a substantial portion of its anticipated cash flows; terrorist or similar attacks could impact NEP's projects or surrounding areas and adversely affect its business; NEP's energy production may be substantially below its expectations if a natural disaster or meteorological conditions damage its turbines, solar panels, other equipment or facilities; NEP is not able to insure against all potential risks and it may become subject to higher insurance premiums; warranties provided by the suppliers of equipment for NEP's projects may be limited by the ability of a supplier to satisfy its warranty obligations or if the term of the warranty has expired or liability limits, which could reduce or void the warranty protections, or the warranties may be insufficient to compensate NEP's losses; supplier concentration at certain of NEP's projects may expose it to significant credit or performance risks; NEP relies on interconnection and transmission facilities of third parties to deliver energy from its projects and, if these facilities become unavailable, NEP's projects may not be able to operate or deliver energy; NEP's business is subject to liabilities and operating restrictions arising from environmental, health and safety laws and regulations; NEP's projects may be adversely affected by legislative changes or a failure to comply with applicable energy regulations; NEP's partnership agreement restricts the voting rights of unitholders owning 20% or more of its common units, and under certain circumstances this could be reduced to 10%; NEP does not own all of the land on which the projects in its portfolio are located and its use and enjoyment of the property may be adversely affected to the extent that there are any lienholders or leaseholders that have rights that are superior to NEP's rights or the BLM suspends its federal rights-of-way grants; NEP is subject to risks associated with litigation or administrative proceedings that could materially impact its operations, including future proceedings related to projects it subsequently acquires; the Summerhaven, Conestogo and Bluewater projects are subject to Canadian domestic content requirements under their Feed-in-Tariff (FIT) contracts; NEP's cross-border operations require NEP to comply with anti-corruption laws and regulations of the U.S. government and non-U.S. jurisdictions; NEP is subject to risks associated with its ownership or acquisition of projects that remain under construction, which could result in its inability to complete construction projects on time or at all, and make projects too expensive to complete or cause the return on an investment to be less than expected; NEP relies on a limited number of energy sale counterparties and NEP is exposed to the risk that they are unwilling or unable to fulfill their contractual obligations to NEP or that they otherwise terminate their agreements with NEP; NEP may not be able to extend, renew or replace expiring or terminated agreements, such as its power purchase agreements (PPAs), Renewable Energy Standard Offer Program (RESOP) Contracts and FIT Contracts, at favorable rates or on a long-term basis; if the energy production by or availability of NEP's U.S. projects is less than expected, they may not be able to satisfy minimum production or availability obligations under NEP's U.S. project entities' PPAs; NEP's growth strategy depends on locating and acquiring interests in additional projects consistent with its business strategy at favorable prices; NextEra Energy Operating Partners, LP's (NEP OpCo) partnership agreement requires that it distribute its available cash, which could limit its ability to grow and make acquisitions; lower prices for other fuel sources reduce the demand for wind and solar energy; government regulations providing incentives and subsidies for clean energy could change at any time and such changes may negatively impact NEP's growth strategy; NEP's growth strategy depends on the acquisition of projects arrange the required or desired financing for acquisitions; acquisitions of existing clean energy projects involve numerous risks; renewable energy procurement is subject to U.S. state and Canadian provincial regulations, with relatively irregular, infrequent and often competitive procurement windows; while NEP currently owns only wind and solar projects, NEP may acquire other sources of clean energy, including natural gas and nuclear projects, and may expand to include other types of assets including transmission projects, and any future acquisition of non-renewable energy projects, including transmission projects, may present unforeseen challenges and result in a competitive disadvantage relative to NEP's more-established competitors. A failure to successfully integrate such acquisitions with NEP's then-existing projects as a result of unforeseen operational difficulties or otherwise, could have a material adverse effect on NEP's business, financial condition, results of operations and ability to grow its business and make cash distributions to its unitholders; NEP faces substantial competition primarily from regulated utilities, developers, independent power producers (IPPs), pension funds and private equity funds for opportunities in North America; restrictions in NEP OpCo's subsidiaries' revolving credit facility could adversely affect NEP's business, financial condition, results of operations and ability to make cash distributions to its unitholders; NEP's cash distributions to its unitholders may be reduced as a result of restrictions on NEP's subsidiaries' cash distributions to NEP under the terms of their indebtedness; NEP's subsidiaries' substantial amount of indebtedness may adversely affect NEP's ability to operate its business and its failure to comply with the terms of its subsidiaries' indebtedness could have a material adverse effect on NEP's financial condition; currency exchange rate fluctuations may affect NEP's operations; NEP is exposed to risks inherent in its use of interest rate swaps; NEE exercises substantial influence over NEP and NEP is highly dependent on NEE and its affiliates; NEP is highly dependent on credit support from NEE and its affiliates; NEP's subsidiaries may default under contracts or become subject to cash sweeps if credit support is terminated, if NEE or its affiliates fail to honor their obligations under credit support arrangements, or if NEE or another credit support provider ceases to satisfy creditworthiness requirements, and NEP will be required in certain circumstances to reimburse NEE for draws that are made on credit support; NEER or one of its affiliates is permitted to borrow funds received by NEP's subsidiaries, including NEP OpCo, as partial consideration for its obligation to provide credit support to NEP, and NEER will use these funds for its own account without paying additional consideration to NEP and is obligated to return these funds only as needed to cover project costs and distributions or as demanded by NEP OpCo; NEP's financial condition and ability to make distributions to its unitholders, as well as its ability to grow distributions in the future, is highly dependent on NEER's performance of its obligations to return a portion of these funds; NEP may not be able to consummate future acquisitions from NEER; NextEra Energy Partners GP, Inc. (NEP GP), NEP's general partner, and its affiliates, including NEE, have conflicts of interest with NEP and limited duties to NEP and its unitholders and they may favor their own interests to the detriment of NEP and holders of NEP's common units; NEE and other affiliates of NEP GP are not restricted in their ability to compete with NEP; NEP may be unable to terminate the management services agreement among NEP, NextEra Energy Management Partners, LP (NEE Management), NEP OpCo and NEP GP (Management Services Agreement); if NEE Management terminates the Management Services Agreement, NEER terminates the management services subcontract between NEE Management and NEER (Management Sub-Contract) or either of them defaults in the performance of its obligations thereunder, NEP may be unable to contract with a substitute service provider on similar terms, or at all; NEP's arrangements with NEE limit NEE's liability, and NEP has agreed to indemnify NEE against claims that it may face in connection with such arrangements, which may lead NEE to assume greater risks when making decisions relating to NEP than it otherwise would if acting solely for its own account; the credit and risk profile of NEP GP and its owner, NEE, could adversely affect any NEP credit ratings and risk profile, which could increase NEP's borrowing costs or hinder NEP's ability to raise capital; NEP's ability to make distributions to its unitholders depends on the ability of NEP OpCo to make cash distributions to its limited partners; if NEP incurs material tax liabilities, NEP's distributions to its unitholders general partner's directors; NEP's partnership agreement restricts the remedies available to holders of NEP's common units for actions taken by its general partner that might otherwise constitute breaches of fiduciary duties; NEP's partnership agreement replaces NEP GP's fiduciary duties to holders of NEP's common units with contractual standards governing its duties; even if holders of NEP's common units are dissatisfied, they cannot initially remove NEP GP, as NEP's general partner, without NEE's consent; NEP GP's interest in NEP and the control of NEP GP may be transferred to a third party without unitholder consent; the IDR fee may be transferred to a third party without unitholder consent; NEP may issue additional units without unitholder approval, which would dilute unitholder interests; reimbursements and fees owed to NEP GP and its affiliates for services provided to NEP or on NEP's behalf will reduce cash distributions to or from NEP OpCo and from NEP to NEP's unitholders, and the amount and timing of such reimbursements and fees will be determined by NEP GP and there are no limits on the amount that NEP OpCo may be required to pay; discretion in establishing cash reserves by NextEra Energy Operating Partners GP, LLC (NEE Operating GP), the general partner of NEP OpCo, may reduce the amount of cash distributions to NEP's unitholders; while NEP's partnership agreement requires NEP to distribute its available cash, NEP's partnership agreement, including provisions requiring NEP to make cash distributions, may be amended; NEP OpCo can borrow money to pay distributions, which would reduce the amount of credit available to operate NEP's business; increases in interest rates could adversely impact the price of NEP's common units, NEP's ability to issue equity or incur debt for acquisitions or other purposes and NEP's ability to make cash distributions to its unitholders; the price of NEP's common units may fluctuate significantly and unitholders could lose all or part of their investment and a market that will provide unitholders with adequate liquidity may not develop; the liability of holders of NEP's common units, which represent limited partnership interests in NEP, may not be limited if a court finds that unitholder action constitutes control of NEP's business; unitholders may have liability to repay distributions that were wrongfully distributed to them; except in limited circumstances, NEP GP has the power and authority to conduct NEP's business without unitholder approval; contracts between NEP, on the one hand, and NEP GP and its affiliates, on the other hand, will not be the result of arm's-length negotiations; unitholders have no right to enforce the obligations of NEP GP and its affiliates under agreements with NEP; NEP GP decides whether to retain separate counsel, accountants or others to perform services for NEP; the New York Stock Exchange does not require a publicly traded limited partnership like NEP to comply with certain of its corporate governance requirements; NEP's future tax liability may be greater than expected if NEP does not generate net operating losses (NOLs) sufficient to offset taxable income or if tax authorities challenge certain of NEP's tax positions; NEP's ability to utilize NOLs to offset future income may be limited; NEP will not have complete control over NEP's tax decisions; a valuation allowance may be required for NEP's deferred tax assets; distributions to unitholders may be taxable as dividends; NEP may fail to realize the growth prospects anticipated as a result of the NET Midstream acquisition; uncertainties associated with the NET Midstream acquisition may cause a loss of management personnel and other key employees that could adversely affect NEP's future business, operations and financial results following the NET Midstream acquisition; as a result of the NET Midstream acquisition, the scope and size of NEP's operations and business will substantially change and NEP cannot provide assurance that NEP's expansion into the midstream natural gas industry will be successful; NET Midstream depends on a key customer for a significant portion of its revenues, the loss of such customer could result in a decline in NEP's revenues and cash available to make distributions to NEP's unitholders; NEP may be unable to secure renewals of long-term natural gas transportation agreements, which could expose its revenues to increased volatility; NEP may not succeed in realizing the anticipated benefits of NET Mexico's pipeline joint venture with a subsidiary of PEMEX; NEP may for the first time pursue the development of pipeline expansion projects that will require up-front capital expenditures and expose NEP to project development risks; NEP's ability to maximize the productivity of the NET Midstream business and to complete potential pipeline expansion projects will be dependent on the affect NEP's business; if third-party pipelines and other facilities interconnected to the NET Midstream pipelines become partially or fully unavailable to transport natural gas, NEP's revenues and cash available for distribution to unitholders could be adversely affected; a change in the jurisdictional characterization of some of the NET Midstream assets, or a change in law or regulatory policy, could result in increased regulation of these assets; NEP may incur significant costs and liabilities as a result of pipeline integrity management program testing and any necessary pipeline repair or preventative or remedial measures; NET Midstream's pipeline operations could incur significant costs if the Pipeline and Hazardous Materials Safety Administration or the Railroad Commission of Texas adopts more stringent regulations governing NEP's business; NEP could be exposed to liabilities under the U.S. Foreign Corrupt Practices Act and other anti-corruption laws (including non-U.S. laws); PEMEX may claim certain immunities under the Foreign Sovereign Immunities Act and Mexican law, and NET Midstream's ability to sue or recover from PEMEX for breach of contract may be limited; FERC is investigating certain commodities trading activities by an employee of NET Midstream; natural gas operations are subject to numerous environmental laws and regulations, compliance with which may require significant capital expenditures, increase NEP's cost of operations and affect or limit its business plans, or expose NEP to liabilities; reductions in demand for natural gas in the United States or Mexico and low market prices of commodities could adversely affect NET Midstream's operations and cash flows; natural gas gathering and transmission activities involve numerous risks that may result in accidents or otherwise affect NET Midstream's operations; the assumptions underlying NEP's projections of future revenues from the NET Midstream acquisition are inherently uncertain and are subject to significant business, economic, financial, regulatory and competitive risks and uncertainties that could cause actual results to differ materially from those forecasted; NEP's future net operating losses, or NOLs, may be less than expected, and its ability to use its NOLs may be limited by certain ownership changes in the future, both of which would increase or accelerate its future tax liability and thus reduce its future cash available for distribution to unitholders. NEP discusses these and other risks and uncertainties in its annual report on Form 10-K for the year ended December 31, 2014 and other SEC filings, and this news release should be read in conjunction with such SEC