

Risk Factors Comparison 2025-02-14 to 2024-02-16 Form: 10-K

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Risks Relating to NEE' s and FPL' s Business The business, financial condition, results of operations and prospects of NEE and FPL are subject to a variety of risks, many of which are beyond the control of NEE and FPL. These risks, whether or not expressly stated with respect to any particular risk factor, as well as additional risks and uncertainties either not presently known or that are currently believed to not be material to the business, may materially adversely affect the business, financial condition, results of operations and prospects of NEE and FPL and may cause actual results of NEE and FPL to differ substantially from those that NEE or FPL currently expects or seeks. In that event, the market price for the securities of NEE or FPL could decline. Accordingly, the risks described below should be carefully considered together with the other information set forth in this report and in future reports that NEE and FPL file with the SEC. Regulatory, Legislative and Legal Risks NEE' s and FPL' s business, financial condition, results of operations and prospects may be materially adversely affected by the extensive regulation of their business. The operations of NEE and FPL are subject to complex and comprehensive federal, state and other regulation. This extensive regulatory framework, portions of which are more specifically identified in the following risk factors, regulates, among other things and to varying degrees, NEE' s and FPL' s industry, businesses, operations, and rates and cost structures, including: permitting, planning, construction and operation of electric generation, storage, transmission and distribution facilities and natural gas, oil and other fuel production, transportation, processing and storage facilities; acquisitions, disposals, depreciation and amortization of facilities and other assets; decommissioning costs and funding; service reliability; wholesale and retail competition; and commodities trading and derivatives transactions. In their business planning and in the management of their operations, NEE and FPL must address the effects of regulation on their business and any inability or failure to do so adequately could have a material adverse effect on their business, financial condition, results of operations and prospects. NEE' s and FPL' s business, financial condition, results of operations and prospects could be materially adversely affected if they are unable to recover in a timely manner any significant amount of costs, a return on certain assets or a reasonable return on invested capital through base rates, cost recovery clauses, other regulatory mechanisms or otherwise. FPL operates as an electric utility and is subject to the jurisdiction of the FPSC over a wide range of business activities, including, among other items, the retail rates charged to its customers through base rates and cost recovery clauses, the terms and conditions of its services, procurement of electricity for its customers and fuel for its plant operations, issuances of securities, and aspects of the siting, planning, construction and operation of its generation plants and transmission and distribution systems for the sale of electric energy. The FPSC has the authority to disallow recovery by FPL of costs that it considers excessive or imprudently incurred, including those incurred to transition to lower carbon emission technology, and to determine the level of return that FPL is permitted to earn on invested capital. The regulatory process, which may be adversely affected by the geopolitical, political, regulatory, operational and economic environment in Florida and elsewhere, limits or could otherwise adversely impact FPL' s earnings. The regulatory process also does not provide any assurance as to achievement of authorized or other earnings levels, or that FPL will be permitted to earn an acceptable return on capital investments it wishes to make. NEE' s and FPL' s business, financial condition, results of operations and prospects could be materially adversely affected if any material amount of costs, a return on certain assets or a reasonable return on invested capital cannot be recovered through base rates, cost recovery clauses, other regulatory mechanisms or otherwise. Certain other subsidiaries of NEE are utilities subject to the jurisdiction of their regulators and are subject to similar risks. Regulatory decisions that are important to NEE and FPL may be materially adversely affected by political, regulatory, operational and economic factors. The local and national political, regulatory and economic environment has had, and may in the future have, an adverse effect on regulatory decisions with negative consequences for NEE and FPL. These decisions, which may come from any level of government, **including through actions taken, or not taken, by government agencies as a result of executive orders,** may require, for example, FPL or NEER to cancel or delay planned development activities, to reduce or delay other planned capital expenditures or to pay for investments or otherwise incur costs that it may not be able to recover through rates or otherwise, each of which could have a material adverse effect on the business, financial condition, results of operations and prospects of NEE and FPL. Any reductions or modifications to, or the elimination of, governmental incentives or policies that support **clean utility scale renewable** energy, including, but not limited to, tax laws, policies and incentives, RPS and feed- in- tariffs, or the imposition of additional taxes, tariffs, duties or other **costs or assessments on renewable-clean** energy or the equipment necessary to generate, **store** or deliver it, could result in, among other items, the lack of a satisfactory market for the development and / or financing of new **renewable-clean** energy projects, NEE and FPL abandoning the development of **renewable-clean** energy projects, a loss of investments in **renewable-clean** energy projects and reduced project returns, any of which could have a material adverse effect on NEE ' s and FPL' s business, financial condition, results of operations and prospects. NEE depends heavily on government policies that support **clean utility scale renewable** energy and enhance the economic feasibility of developing and operating **clean wind and solar** energy projects in regions in which NEER and FPL operate or plan to develop and operate **such renewable energy** facilities. The federal government, a majority of state governments in the U. S. and portions of Canada provide incentives, such as tax incentives, RPS or feed- in- tariffs, that support or are designed to support the sale of energy from **clean utility scale renewable** energy facilities, such as wind and solar energy facilities **and energy storage facilities**. The development of **renewable-clean** energy **facilities projects** at acceptable prices has not historically been burdened by actions taken by the U. S. government. However, as a result of budgetary constraints, geopolitical factors, political factors or otherwise, governments from time to time may review their laws and policies that support, or do not overly burden, the development and operation of **renewable-clean** energy facilities and,

instead, consider actions that would make the laws and policies less conducive to the development and operation of **such projects renewable energy facilities**. Any reductions or modifications to, or the elimination of, governmental incentives or policies that support **renewable clean** energy, such as **the IRA PTCs or ITCs**, or the imposition of additional taxes, tariffs, duties or other **costs or** assessments on **renewable clean** energy or the equipment necessary to generate, **store** or deliver it, such as policies in place that limit certain imports from China and other Southeast Asian countries, could result in, among other items, the lack of a satisfactory market for the development and / or financing of new **renewable clean** energy projects, NEE and FPL abandoning the development of **renewable clean** energy projects, a loss of investments in the projects and reduced project returns, any of which could have a material adverse effect on NEE **'s** and FPL's business, financial condition, results of operations and prospects. NEE's and FPL's business, financial condition, results of operations and prospects could be materially adversely affected **by new or revised laws, regulations or executive orders, as well as by regulatory action or inaction. NEE's and FPL's business could be materially adversely affected by a variety of legal activity, such as: 1) the adoption of new or revised laws, such as international trade laws, regulations and interpretations; 2) constitutional ballot or regulatory initiatives, such as those seeking deregulation or restructuring of the energy industry; 3) new or revised regulations, such as those affecting the commodities trading and derivatives markets, emissions, water consumption, water discharges, wetlands, gas and oil infrastructure operations, and environmental and other permitting requirements for energy infrastructure projects; 4) actions taken, or not taken, by government agencies as a result of executive orders** new or revised laws or regulations or interpretations of these laws and regulations. NEE's and FPL's business is influenced by various legislative and regulatory initiatives, including, but not limited to, new or revised laws, including international trade laws, regulations and interpretations, constitutional ballot and regulatory initiatives regarding deregulation or restructuring of the energy industry, regulation of the commodities trading and derivatives markets, and regulation of environmental matters, such as **failing to issue, delaying the issuance of, or increasing the requirements necessary to obtain approvals, rights-of-way, permits, determinations, leases or loans related to wind or other clean energy projects; and 5) changes in the way government interprets or applies laws, regulations and orders. Changes in the nature of the** regulation of air emissions, regulation of water consumption and water discharges, and regulation of gas and oil infrastructure operations, as well as associated environmental permitting. Changes in the nature of the regulation of NEE's and FPL's business **through this type or other types of legal activity** could have a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects. NEE and FPL are unable to predict future legislative **or, regulatory changes or executive action or inaction**, including through constitutional ballot initiatives or changed **government legal or regulatory interpretations or applications**, although any such changes may increase costs, **the challenges associated with developing and operating clean and other energy infrastructure projects,** and competitive pressures on NEE and FPL, which could have a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects. FPL has limited, but growing, competition in the Florida market for retail electricity customers and is not subject to a RPS. Any changes in Florida law or regulation, whether through new or modified legislation **or, regulation or executive action** or through citizen- approved state constitutional ballot initiatives, which increase competition in the Florida retail electricity market, such as government incentives that would further facilitate the installation of solar generation facilities on residential or other rooftops, would permit third-party sales of electricity or would mandate the transition to renewable energy at FPL, could have a material adverse effect on FPL's business, financial condition, results of operations and prospects. **FPL and NEER are also regulated by FERC as transmission providers and sellers of wholesale power. FERC regulation of transmission and wholesale power transactions, including the ability of new energy infrastructure projects to sell the power they produce under power purchase agreements, evolves over time as a result of rulemaking proceedings and new legislative directives from Congress.** There can be no assurance that FPL **or NEER** would be able to respond adequately to **such the aforementioned state and federal** regulatory changes, which could have a material adverse effect on **NEE's and** FPL's business, financial condition, results of operations and prospects. **FPL and NEER is are also** subject to FERC rules related to transmission that are designed to facilitate competition in the wholesale market on practically a nationwide basis **and that evolve over time**. NEE cannot predict the impact of changing FERC rules or policies of the RTOs and ISOs, such as rules governing generator interconnection procedures and transmission planning requirements and cost allocation methodologies, or the effect of changes in levels of wholesale supply and demand, which are typically driven by factors beyond NEE's control. There can be no assurance that **FPL or** NEER will be able to respond adequately or sufficiently quickly to such rules and developments, which may impact the ability, timeline and cost of interconnecting new or repowered energy projects to the transmission system and the availability of transmission system capacity to deliver energy products to market, or to any changes that reverse or restrict the competitive restructuring of the energy industry in those jurisdictions in which such restructuring has occurred. Any of these events could have a material adverse effect on NEE's business, financial condition, results of operations and prospects. **The structure of the energy industry and regulation in the U. S. is currently, and may continue to be, subject to challenges and restructuring proposals. Additional regulatory approvals may be required due to changes in law or for other reasons. NEE expects the laws and regulation applicable to its business and the energy industry, including laws and regulations generally supportive of clean energy project development, generally to be in a state of transition for the foreseeable future. Changes in the structure of the industry or in such laws and regulations could have a material adverse effect on NEE's and FPL's business, financial condition, results of operations and prospects.** NEE and FPL are subject to numerous environmental laws, regulations and other standards that may result in capital expenditures, increased operating costs and various liabilities, and may require NEE and FPL to limit or eliminate certain operations. NEE and FPL are subject to domestic environmental laws, regulations and other standards, including, but not limited to, extensive federal, state and local environmental statutes, rules and regulations relating to air quality, water quality and usage, soil quality, climate change, **greenhouse gas** emissions of **greenhouse gases**, waste management, hazardous wastes, marine, avian, bat and other wildlife

mortality and habitat protection, historical artifact preservation, natural resources, health (including, but not limited to, electric and magnetic fields from power lines and substations), safety and RPS, that could, among other things, prevent or delay the development of power generation, **power or natural storage and transmission, gas transmission-transportation**, or other **infrastructure development** projects, restrict or enjoin the output of some existing facilities, limit the availability and use of some fuels required for the production of electricity, require additional pollution control equipment, and otherwise increase costs, increase capital expenditures and limit or eliminate certain operations. Certain subsidiaries of NEE are also subject to foreign environmental laws, regulations and other standards and, as such, are subject to similar risks. There are significant capital, operating and other costs associated with compliance with these environmental statutes, rules and regulations, and those costs could be even more significant in the future as a result of new requirements, stricter or more expansive application of existing environmental laws and regulations, and the addition of species, such as additional bat species, to the endangered species list. Violations of current or future laws, rules, regulations or other standards could expose NEE and FPL to regulatory and legal proceedings, disputes with, and legal challenges by, governmental entities and third parties, and potentially significant civil fines, criminal penalties and other sanctions, such as restrictions on how NextEra Energy Resources develops, sites and operates wind facilities. These violations could result in, without limitation, litigation regarding property damage, personal injury, common law nuisance and enforcement by citizens or governmental authorities of environmental requirements. For example, one of NextEra Energy Resources' subsidiaries is currently on probation as a result of accidental collisions of eagles into wind turbines at a number of NextEra Energy Resources' wind facilities. If NextEra Energy Resources' subsidiary violates the terms of the probation, or fails to obtain eagle "take" permits under the BGEPA or incidental take permits under the ESA for certain of its wind facilities and additional eagles or listed species, like cave bats, perish in collisions with facility turbines, NextEra Energy Resources or its subsidiaries could face criminal prosecution under these laws. NEE' s and FPL' s business could be negatively affected by federal or state laws or regulations mandating new or additional limits on the production of greenhouse gas emissions. Federal or state laws or regulations may be adopted that would impose new or additional limits on the **greenhouse gas** emissions of greenhouse gases, including, but not limited to, carbon dioxide and methane, from electric generation units using fuels, such as natural gas. The potential effects of greenhouse gas emission limits on NEE' s and FPL' s electric generation units are subject to significant uncertainties based on, among other things, the timing of the implementation of any new requirements, the required levels of emission reductions, the nature of any market- based or tax- based mechanisms adopted to facilitate reductions, the relative availability of greenhouse gas emission reduction offsets, the development of cost-effective, commercial- scale carbon capture and storage technology and supporting regulations and liability mitigation measures, and the range of available compliance alternatives. ~~The While NEE' s and FPL' s electric generation portfolio emits greenhouse gases at a lower rate of emissions than most of the U. S. electric generation sector, the~~ results of operations of NEE and FPL could be materially adversely affected to the extent that new federal or state laws or regulations impose any new greenhouse gas emission limits. Any future limits on greenhouse gas emissions could: • create substantial additional costs in the form of taxes or emissions allowances; • make some of NEE' s and FPL' s electric generation units uneconomical to operate in the long term; • require significant capital investment in carbon capture and storage technology, fuel switching, or the replacement of high-emitting generation facilities with lower- emitting generation facilities; or • affect the availability or cost of fuel, such as natural gas. There can be no assurance that NEE or FPL would be able to completely recover any such costs or investments, which could have a material adverse effect on their business, financial condition, results of operations and prospects. Extensive federal **, state and local government** regulation of the operations and businesses of NEE and FPL exposes NEE and FPL to significant and increasing compliance costs and may also expose them to substantial monetary penalties and other sanctions for compliance failures. NEE' s and FPL' s operations and businesses are subject to extensive federal **, state and local government** regulation, which generally imposes significant and increasing compliance costs on their operations and businesses. Additionally, any actual or alleged compliance failures could result in significant costs and other potentially adverse effects of regulatory investigations, proceedings, settlements, decisions and claims, including, among other items, potentially significant monetary penalties. As an example, under the Energy Policy Act of 2005, NEE and FPL, as owners and operators of bulk- power transmission systems and / or electric generation facilities, are subject to mandatory reliability standards. Compliance with these mandatory reliability standards may subject NEE and FPL to higher operating costs and may result in increased capital expenditures. If FPL or NEE is found not to be in compliance with these standards, they may incur substantial monetary penalties and other sanctions **. In addition, certain of NEE' s and FPL' s sales to retail customers are subject to consumer protection laws and other regulations related to consumer activities that are implemented and enforced by a number of federal, state and local government entities**. Both the costs of regulatory compliance and the costs that may be imposed as a result of any actual or alleged compliance failures could have a material adverse effect on NEE' s and FPL' s business, financial condition, results of operations and prospects. Changes in tax laws, guidance or policies, including but not limited to changes in corporate income tax rates, as well as judgments and estimates used in the determination of tax- related asset and liability amounts, could materially adversely affect NEE' s and FPL' s business, financial condition, results of operations and prospects. NEE' s and FPL' s provision for income taxes and reporting of tax- related assets and liabilities require significant judgments and the use of estimates. Amounts of tax- related assets and liabilities involve judgments and estimates of the timing and probability of recognition of income, deductions and tax credits, including, but not limited to, estimates for potential adverse outcomes regarding tax positions that have been taken and the ability to utilize tax benefit carryforwards, such as net operating loss and tax credit carryforwards. Actual income taxes could vary significantly from estimated amounts due to the future impacts of, among other things, changes in tax laws, guidance or policies, including **, but not limited to,** changes in corporate income tax rates **, renewable energy tax credits and transferability of renewable energy tax credits**, the issuance of guidance related to the qualification for renewable energy tax credits **and bonus credits**, the financial condition and results of operations of NEE and FPL ⁵, and the resolution of audit issues raised by taxing authorities. These factors, including the ultimate resolution of

income tax matters, may result in material adjustments to tax- related assets and liabilities, which could materially adversely affect NEE' s and FPL' s business, financial condition, results of operations and prospects. NEE' s and FPL' s business, financial condition, results of operations and prospects may be materially adversely affected due to adverse results of litigation. NEE' s and FPL' s business, financial condition, results of operations and prospects may be materially affected by adverse results of litigation. Unfavorable resolution of legal or administrative proceedings in which NEE or FPL is involved or other future legal or administrative proceedings may have a material adverse effect on the business, financial condition, results of operations and prospects of NEE and FPL. Allegations of violations of law by FPL or NEE have the potential to result in fines, penalties, or other sanctions or effects, as well as cause reputational damage for FPL and NEE, and could hamper FPL' s and NEE' s effectiveness in interacting with governmental authorities. FPL' s and NEE' s business and reputation could be adversely affected by allegations that FPL or NEE has violated laws, by any investigations or proceedings that arise from such allegations, or by ultimate determinations of legal violations. For example, media articles ~~have been~~ **were first** published **in 2021** that ~~allege~~ **alleged**, among other things, Florida state and federal campaign finance law violations by FPL. ~~These articles are referenced in a complaint subsequently filed with the Federal Election Commission (FEC) that alleges certain violations of the Federal Election Campaign Act. FPL and NEE cannot guarantee that the FEC complaint process will not ultimately result in a finding that FPL or NEE violated federal campaign finance or other laws, that applicable federal or state governmental authorities may not investigate or take enforcement actions with respect to the allegations or assert that legal violations by FPL or NEE have occurred, or that violations may not ultimately be found by a court of competent jurisdiction or other authorities to have occurred. In addition, notwithstanding the completion or pendency of any internal review or investigation by FPL or NEE of any allegations of legal violations, including of the allegations regarding campaign finance laws set forth in the media articles or FEC complaint,~~ FPL and NEE cannot provide assurance that **the outcome of any allegations of the foregoing violations of law** will not result in the imposition of material fines, penalties, or otherwise result in other sanctions or effects on FPL or NEE, or will not have a material adverse impact on the reputation of NEE or FPL or on the effectiveness of their interactions with governmental regulators or other authorities. Development and Operational Risks NEE' s and FPL' s business, financial condition, results of operations and prospects could suffer if NEE and FPL do not proceed with projects under development or are unable to complete the construction of, or capital improvements to, electric generation, **storage**, transmission and distribution facilities, **natural gas infrastructure and oil production and transportation** facilities or other facilities on schedule or within budget. NEE' s and FPL' s ability to proceed with projects under development and to complete construction of, and capital improvement projects for, their electric generation, **storage**, transmission and distribution facilities, **natural gas infrastructure and oil production and transportation** facilities and other facilities on schedule and within budget have been, ~~in~~ **limited instances from time to time**, and in the future may be, adversely affected by escalating costs for materials and labor and regulatory compliance, inability to obtain or renew necessary licenses, rights- of- way, permits or other approvals on acceptable terms or on schedule, disputes involving contractors, labor organizations, land owners, governmental entities, environmental groups, Native American and aboriginal groups, lessors, joint venture partners, suppliers and other third parties, negative publicity, transmission interconnection issues, geopolitical factors, supply chain disruptions, inflation, rising interest rates and other factors. For example, the ability of NEE and FPL to develop solar generation **and battery storage** facilities is dependent on the international supply chain for solar panels, **batteries** and associated equipment, and governmental or regulatory actions have caused minor, and could in the future cause material, disruptions in the ability of NEE and FPL to acquire solar panels **and batteries** on time and at acceptable costs. If any development project or construction or capital improvement project is not completed, is delayed or is subject to cost overruns, certain associated costs may not be approved for recovery or otherwise be recoverable through regulatory mechanisms that may be available, and NEE and FPL could become obligated to make delay or termination payments or become obligated for other damages under contracts, could experience the loss, **or reduction**, of tax credits, **bonus credits** or tax incentives, **the inability to transfer tax credits**, or delayed or diminished returns, and could be required to write off all or a portion of their investment in the project. Any of these events could have a material adverse effect on NEE' s and FPL' s business, financial condition, results of operations and prospects. NEE and FPL face risks related to project siting, financing, construction, permitting, governmental approvals and the negotiation of project development agreements that may impede their development and operating activities. NEE and FPL own, develop, construct, manage and operate electric generation, **storage** and transmission facilities and natural gas ~~pipelines transmission facilities~~. A key component of NEE' s and FPL' s growth is their ability to construct and operate generation ~~and~~, **storage**, transmission facilities **and natural gas pipelines** to meet customer needs. As part of these operations, NEE and FPL must periodically apply for licenses and permits from various local, state, federal and other regulatory authorities and abide by their respective conditions. Should NEE or FPL be unsuccessful in obtaining necessary licenses or permits on acceptable terms or resolving third- party challenges to such licenses or permits, should there be ~~a~~ **any** delay in obtaining or renewing necessary licenses or permits or should regulatory authorities initiate any associated investigations or enforcement actions or impose related penalties or disallowances on NEE or FPL, NEE' s and FPL' s business, financial condition, results of operations and prospects could be materially adversely affected. Any failure to negotiate successful project development agreements for new facilities with third parties could have similar ~~results~~ **consequences**. The operation and maintenance of NEE' s and FPL' s electric generation, **storage**, transmission and distribution facilities, **natural gas infrastructure and oil production and transportation** facilities and other facilities are subject to many operational risks, the consequences of which could have a material adverse effect on NEE' s and FPL' s business, financial condition, results of operations and prospects. NEE' s and FPL' s electric generation, **storage**, transmission and distribution facilities, **natural gas infrastructure and oil production and transportation** facilities and other facilities are subject to many operational risks. Operational risks could result in, among other things, lost revenues due to prolonged outages, increased expenses due to monetary penalties or fines for compliance failures or legal claims, liability to third parties for property and personal injury damage or loss of life, **unsatisfied customers**, a failure to perform under applicable power sales

agreements or other agreements and associated loss of revenues from terminated agreements or liability for liquidated damages under continuing agreements, and replacement equipment costs or an obligation to purchase or generate replacement power at higher prices. Uncertainties and risks inherent in operating and maintaining NEE' s and FPL' s facilities include, but are not limited to: • risks associated with facility start- up operations, such as whether the facility will achieve projected operating performance on schedule and otherwise as planned; • failures in the availability, acquisition or transportation of fuel or other necessary supplies; • the impact of unusual or adverse weather conditions and natural disasters, including, but not limited to, hurricanes, tornadoes, extreme temperatures, icing events, wildfires, floods, severe convective storms, earthquakes and droughts; • performance below expected or contracted levels of output or efficiency; • breakdown or failure, including, but not limited to, explosions, fires, leaks or other major events, of equipment, transmission or distribution systems or pipelines; • availability of replacement equipment; • risks of property damage, human injury or loss of life from energized equipment, hazardous substances or explosions, fires, leaks or other events, especially where facilities are located near populated areas; • potential environmental impacts of **natural gas infrastructure and oil production and transportation** operations; • risks associated with potential harm to wildlife; • availability of adequate water resources and ability to satisfy water intake and discharge requirements; • inability to identify, manage properly or mitigate equipment defects in NEE' s and FPL' s facilities; • use of new or unproven technology ; • **inability to anticipate or adapt to changes in the reliability of NEE' s or FPL' s equipment, operating systems or facilities** ; • risks associated with dependence on a specific type of fuel or fuel source, such as commodity price risk, availability of adequate fuel supply and transportation, and lack of available alternative fuel sources; • increased competition due to, among other factors, new facilities, excess supply, shifting demand and regulatory changes (such as the passage of the IRA); and • insufficient insurance, warranties or performance guarantees to cover any or all lost revenues or increased expenses from the foregoing. NEE' s and FPL' s business, financial condition, results of operations and prospects may be negatively affected by a lack of growth, slower growth or a decline in the number of customers or in customer usage. Growth in customer accounts and growth of customer usage each directly influence the demand for electricity and the need for additional power generation and power delivery facilities, as well as the need for energy- related commodities, such as natural gas. Customer growth and customer usage are affected by a number of factors outside the control of NEE and FPL, such as mandated energy efficiency measures, demand side management requirements, installation of distributed generation technologies and economic and demographic conditions, such as population changes, job and income growth, housing starts, new business formation, **expanded use of data centers**, inflation and the overall level of economic activity. A lack of growth, or a decline, in the number of customers or in customer demand for electricity or natural gas and other fuels may cause NEE and FPL to fail to fully realize the anticipated benefits from significant investments and expenditures and could have a material adverse effect on NEE' s and FPL' s growth, business, financial condition, results of operations and prospects. NEE' s and FPL' s business, financial condition, results of operations and prospects can be materially adversely affected by weather conditions and related impacts, including, but not limited to, the impact of severe weather. Weather conditions directly influence the demand for electricity and natural gas and other fuels and affect the price of energy and energy- related commodities. In addition, severe weather and natural disasters, such as hurricanes, floods, tornadoes, droughts, extreme temperatures, icing events, wildfires, severe convective storms and earthquakes, can be destructive and cause power outages, personal injury and property damage, reduce revenue, affect the availability of fuel and water, and require NEE and FPL to incur additional costs, for example, to restore service and repair damaged facilities, to obtain replacement power, to access available financing sources, to obtain insurance, to pay for any associated injuries and damages and to fund any associated legal matters and compliance penalties. Furthermore, NEE' s and FPL' s physical plants could be placed at greater risk of damage should changes in the global climate produce unusual variations in temperature and weather patterns, resulting in more intense, frequent and extreme weather events, abnormal levels of precipitation and, particularly relevant to FPL, a change in sea level. FPL operates in the east and lower west coasts of Florida and in northwest Florida, areas that historically have been prone to severe weather events, such as hurricanes. A disruption or failure of electric generation, transmission or distribution systems or natural gas production, transmission, storage or distribution systems in the event of a hurricane, tornado or other severe weather event, or otherwise, could prevent NEE and FPL from operating their business in the normal course and could result in any of the adverse consequences described above. Additionally, the actions taken to address the potential for severe weather such as additional winterizing of critical equipment and infrastructure, modifying or alternating plant operations and expanding load shedding options could result in significant increases in costs. Any of the foregoing could have a material adverse effect on NEE' s and FPL' s business, financial condition, results of operations and prospects. At FPL and other businesses of NEE where cost recovery is available, recovery of costs to restore service, to repair damaged facilities or for other actions to address severe weather is or may be subject to regulatory approval, and any determination by the regulator not to permit timely and full recovery of the costs incurred could have a material adverse effect on NEE' s and FPL' s business, financial condition, results of operations and prospects. Changes in weather can also affect the production of electricity at power generation facilities, including, but not limited to, NEER' s wind and solar facilities. For example, the level of wind resource affects the revenue produced by wind generation facilities. Because the levels of wind and solar resources are variable and difficult to predict, NEER' s results of operations for individual wind and solar facilities specifically, and NEE' s results of operations generally, may vary significantly from period to period, depending on the level of available resources. To the extent that resources are not available at planned levels, the financial results from these facilities may be less than expected. Threats of terrorism and catastrophic events that could result from geopolitical factors, terrorism, cyberattacks, or individuals and / or groups attempting to disrupt NEE' s and FPL' s business, or the businesses of third parties, may materially adversely affect NEE' s and FPL' s business, financial condition, results of operations and prospects. NEE and FPL are subject to the potentially adverse operating and financial effects of geopolitical factors, terrorist acts and threats, as well as cyberattacks and other disruptive activities of individuals or groups. There have been cyberattacks and other physical attacks within the energy industry on energy infrastructure such as substations, gas pipelines and related

assets in the past and there may be such attacks in the future. In addition, the advancement of artificial intelligence has given rise to added vulnerabilities and potential entry points for cyberattacks. NEE' s and FPL' s generation, transmission, storage and distribution facilities, information technology systems and other infrastructure facilities and systems could be direct targets of, or otherwise be materially adversely affected by, such activities. Geopolitical factors, terrorist acts, cyberattacks or other similar events affecting NEE' s and FPL' s systems and facilities, or those of third parties on which NEE and FPL rely, could harm NEE' s and FPL' s businesses by, for example, limiting their ability to generate, purchase, store or transmit power, natural gas or other energy- related commodities, limiting their ability to bill customers and collect and process payments, and delaying their development and construction of new generation, distribution, storage or transmission facilities or capital improvements to existing facilities. These events, and governmental actions in response, could result in a material decrease in revenues, significant additional costs (for example, to repair assets, implement additional security requirements or maintain or acquire insurance), significant fines and penalties, and reputational damage, could materially adversely affect NEE' s and FPL' s operations (for example, by contributing to disruption of supplies and markets for natural gas, oil and other fuels), and could impair NEE' s and FPL' s ability to raise capital (for example, by contributing to financial instability and lower economic activity). In addition, the implementation of security guidelines and measures has resulted in **increased costs**. Such events or actions may materially adversely affect NEE' s and FPL' s business, financial condition, results of operations and prospects. The ability of NEE and FPL to obtain insurance and the terms of any available insurance coverage could be materially adversely affected by international, national, state or local events and company- specific events, as well as the financial condition of insurers. NEE' s and FPL' s insurance coverage does not provide protection against all significant losses. Insurance coverage may not continue to be available or may not be available at rates or on terms similar to those presently available to NEE and FPL. The ability of NEE and FPL to obtain insurance and the terms of any available insurance coverage could be materially adversely affected by international, national, state or local events and company- specific events, including impacts of actual or perceived climate- related events, as well as the financial condition of insurers. If NEE or FPL cannot or does not obtain insurance coverage, NEE or FPL may be required to pay costs associated with adverse future events. **Additionally, if certain unconsolidated subsidiaries of NEE do not obtain third- party insurance coverage, NEE may be required to pay costs associated with losses or adverse future events involving these entities.** NEE and FPL generally are not fully insured against all significant losses. For example, NEE, including FPL, does not have property insurance coverage for a substantial portion of its transmission and distribution property and natural gas pipeline assets. A loss for which NEE or FPL is not fully insured could have a material adverse effect on NEE' s and FPL' s business, financial condition, results of operations and prospects. NEE invests in **natural gas and oil producing- production and transmission assets which are through NEER' s gas infrastructure business.** The gas infrastructure business is exposed to fluctuating market prices of natural gas, natural gas liquids, oil and other energy commodities. A prolonged period of low **natural gas and oil prices, disrupted production or unsuccessful drilling efforts** could impact NEER' s **natural gas infrastructure business and oil production operations** and cause NEER to delay or cancel certain **natural gas infrastructure and oil production projects** and could result in certain **projects assets** becoming impaired, which could materially adversely affect NEE' s business, financial condition, results of operations and prospects. Natural gas and oil prices are affected by supply and demand, both globally and regionally. Factors that influence supply and demand include operational issues, natural disasters, weather, political instability, conflicts, new discoveries, technological advances, economic conditions and actions by major oil- producing countries. There can be significant volatility in market prices for **natural gas and oil**, and price fluctuations could have a material effect on the financial performance of **natural gas and oil producing and transmission assets**. For example, in a low **natural gas and oil price environment**, NEER would generate less revenue from its **investments in natural gas infrastructure investments in gas and oil producing- production properties**, and as a result certain investments might become less profitable or incur losses. **Additionally, production could be disrupted due to weather or operational issues, among other causes, or drilling efforts could be unsuccessful.** Prolonged periods of low oil and gas prices **or low production, including from unsuccessful drilling efforts**, could also result in the delay or cancellation of **natural gas and oil and gas production and transmission projects**, could cause projects to experience lower returns, and could result in certain **projects assets** becoming impaired, which could materially adversely affect NEE' s business, financial condition, results of operations and prospects. If **cost recovery arrangements for increased supply costs necessary to provide NEER' s full energy and capacity requirement- requirements services** are not favorable, operating costs could increase and materially adversely affect NEE' s business, financial condition, results of operations and prospects. NEER provides full energy and capacity requirements services primarily to distribution utilities, which include load- following services and various ancillary services, to satisfy all or a portion of such utilities' power supply obligations to their customers. The supply costs for these transactions may be affected by a number of factors, including, but not limited to, events that may occur after such utilities have committed to supply power, such as weather conditions, transmission constraints, fluctuating prices for, and locational disconnects in, energy and ancillary services, and the ability of the distribution utilities' customers to elect to receive service from competing suppliers. **If any of these factors materialize,** NEER may not be able to recover all of its increased supply costs, which could have a material adverse effect on NEE' s business, financial condition, results of operations and prospects. Due to the potential for significant volatility in market prices for fuel, electricity and **renewable environmental and other energy - related commodities**, NEER- **NEE' s** inability or failure to manage properly or hedge effectively the commodity risks within its **portfolios- portfolio** could materially adversely affect NEE' s business, financial condition, results of operations and prospects. There can be significant volatility in market prices for fuel, electricity and **renewable environmental and other energy - related commodities**, both in general and across geographies. NEE' s inability or failure to manage properly or hedge effectively its assets or positions against changes in commodity prices, volumes, interest rates, counterparty credit risk or other risk measures, based on factors that are either within, or wholly or partially outside of, NEE' s control, may materially adversely affect NEE' s business, financial condition, results of operations and prospects.

Reductions in the liquidity of energy markets may restrict ~~the NEE's~~ ability of NEE to manage its operational risks, which, in turn, could negatively affect NEE's business, financial condition, results of operations and prospects. NEE is an active participant in energy markets. Liquidity in energy markets can be described as the degree to which a product, such as electricity, gas or transmission rights, can be quickly bought or sold without significantly affecting its price and without incurring significant transaction costs. It can be driven in part by the number of active market participants and is an important factor in NEE's ability to manage risks in its participation in these markets. Liquidity in the energy markets can be adversely affected by price volatility, restrictions on the availability of credit, inflation, rising interest rates and other factors, and any reduction in the liquidity of energy markets could have a material adverse effect on NEE's business, financial condition, results of operations and prospects. NEE's and FPL's hedging and trading procedures and associated risk management tools may not protect against significant losses. NEE and FPL have hedging and trading procedures and associated risk management tools, such as separate but complementary financial, credit, operational, compliance and legal reporting systems, internal controls, management review processes and other mechanisms. NEE and FPL are unable to assure that such procedures and tools will be effective against all potential risks, including, without limitation, employee misconduct or severe weather or operating conditions. If such procedures and tools are not effective, this could have a material adverse effect on NEE's business, financial condition, results of operations and prospects. If price movements significantly or persistently deviate from historical behavior, NEE's and FPL's risk management tools associated with their hedging and trading procedures may not protect against significant losses. NEE's and FPL's risk management tools and metrics associated with their hedging and trading procedures, such as daily value at risk, earnings at risk, stop loss limits and liquidity guidelines, are based on historical price movements. Due to the inherent uncertainty involved in price movements and potential deviation from historical pricing behavior, NEE and FPL are unable to assure that their risk management tools and metrics will be effective to protect against **significant losses that could have a material adverse effect** on their business, financial condition, results of operations and prospects. If power transmission or natural gas, nuclear fuel or other commodity transportation ~~facilities~~ **operations** are unavailable or disrupted, the ability for subsidiaries of NEE, including FPL, to sell and deliver power or natural gas may be limited. Subsidiaries of NEE, including FPL, depend upon power transmission and natural gas, nuclear fuel and other commodity transportation ~~facilities~~ **operations**, many of which they do not own **or control**. Occurrences affecting ~~the operation of these facilities~~ **operations** that may or may not be beyond the control of subsidiaries of NEE, including FPL, (such as geopolitical factors, cyber incidents, physical attacks, severe weather or a generation or transmission facility outage, pipeline rupture, or sudden and significant increase or decrease in wind or solar generation) may limit or halt their ability to sell and deliver power and natural gas, or to purchase necessary fuels and other commodities, which could materially adversely impact NEE's and FPL's business, financial condition, results of operations and prospects. NEE and FPL are subject to credit and performance risk from customers, hedging counterparties and vendors. NEE and FPL are exposed to risks associated with the creditworthiness and performance of their customers, hedging counterparties and vendors under contracts for the supply of equipment, materials, fuel and other goods and services required for their business operations and for the construction and operation of, and for capital improvements to, their facilities. Adverse conditions in the energy industry or the general economy such as inflation, as well as circumstances of individual customers, hedging counterparties and vendors, may adversely affect the ability of some customers, hedging counterparties and vendors to perform as required under their contracts with NEE and FPL. If any vendor or hedging or other counterparty fails to fulfill its contractual obligations, NEE and FPL may need to make arrangements with other counterparties or vendors, which could result in material financial losses, higher costs, untimely completion of power generation facilities and other projects, ~~and~~ or a disruption of their operations. If a defaulting counterparty is in poor financial condition, NEE and FPL may not be able to recover damages for any contract breach. NEE and FPL could recognize financial losses or a reduction in operating cash flows if a counterparty fails to perform or make payments in accordance with the terms of derivative contracts or if NEE or FPL is required to post margin cash collateral under derivative contracts. NEE and FPL use derivative instruments, such as swaps, options, futures and forwards, some of which are traded in the OTC markets or on exchanges, to manage their commodity and financial market risks, and for NEE to engage in **commodity** trading and marketing activities. Any failures by their counterparties to perform or make payments in accordance with the terms of those transactions could have a material adverse effect on NEE's or FPL's business, financial condition, results of operations and prospects. Similarly, any requirement for FPL or NEE to post margin cash collateral under its derivative contracts could have a material adverse effect on its business, financial condition, results of operations and prospects. These risks may be increased during periods of adverse market or economic conditions such as inflation affecting the industry in which NEE and FPL participate. NEE and FPL are highly dependent on sensitive and complex information technology systems, and any failure or breach of those systems could have a material adverse effect on their business, financial condition, results of operations and prospects. NEE and FPL operate in a highly regulated industry that requires the continuous functioning of sophisticated information technology systems and network infrastructure. Despite NEE's and FPL's implementation of security measures, all of their technology systems are vulnerable to disability, failures or unauthorized access ~~due to such activities~~. If NEE's or FPL's information technology systems were to fail or be breached, sensitive confidential and other data could be compromised and NEE and FPL could be unable to fulfill critical business functions. NEE's and FPL's businesses are highly dependent on NEE's and FPL's ability to process and monitor, on a daily basis, a very large number of transactions, many of which are highly complex and cross numerous and diverse markets. Due to the size, scope, complexity and geographical reach of NEE's and FPL's business, the development and maintenance of information technology systems to keep track of and process information is critical and challenging. NEE's and FPL's operating systems and facilities may fail to operate properly or become disabled as a result of events that are either within, or wholly or partially outside of, their control, such as operator error, severe weather, geopolitical activities, terrorist activities or cyber incidents. **NEE and FPL also face the risks of operational failure or capacity constraints associated with the information systems of third parties, including, but not limited to, those who provide power transmission and natural gas**

transportation services. Any such failure or disabling event could **impact NEE' s and FPL' s ability to process transactions and provide services,** and materially adversely affect ~~NEE' s and FPL' s ability to process transactions and provide services,~~ and their business, financial condition, results of operations and prospects. NEE and FPL add, modify and replace information systems on a regular basis. Modifying existing information systems or implementing new or replacement information systems is costly and involves risks, including, but not limited to, integrating the modified, new or replacement system with existing systems and processes, implementing associated changes in accounting procedures and controls, and ensuring that data conversion is accurate and consistent. Any disruptions or deficiencies in existing information systems, or disruptions, delays or deficiencies in the modification or implementation of new information systems, could result in increased costs, the inability to track or collect revenues and the diversion of management' s and employees' attention and resources, and could negatively impact the effectiveness of the companies' control environment, and / or the companies' ability to timely file required regulatory reports. ~~NEE and FPL also face the risks of operational failure or capacity constraints associated with the information systems of third parties, including, but not limited to, those who provide power transmission and natural gas transportation services.~~ NEE' s and FPL' s retail businesses are subject to the risk that sensitive customer data may be compromised, which could result in a material adverse impact to their reputation and / or have a material adverse effect on the business, financial condition, results of operations and prospects of NEE and FPL. NEE' s and FPL' s retail businesses require access to sensitive customer data in the ordinary course of business. NEE' s and FPL' s retail businesses may also need to provide sensitive customer data to vendors and service providers who require access to this information in order to provide services, such as call center services, to the retail businesses. If a significant breach occurred, the reputation of NEE and FPL could be materially adversely affected, customer confidence could be diminished, or customer information could be subject to identity theft. NEE and FPL would be subject to costs associated with the breach and / or NEE and FPL could be subject to fines and legal claims, any of which may have a material adverse effect on ~~the their~~ business, financial condition, results of operations and prospects ~~of NEE and FPL.~~ NEE and FPL could recognize financial losses as a result of volatility in the market values of derivative instruments and limited liquidity in OTC markets. NEE and FPL execute transactions in derivative instruments on either recognized exchanges or **via through** the OTC markets, depending on management' s assessment of the most favorable credit and market execution factors. Transactions executed **in on** OTC markets have the potential for greater volatility and less liquidity than transactions on recognized exchanges. As a result, NEE and FPL may not be able to execute desired OTC transactions due to such heightened volatility and limited liquidity. In the absence of actively quoted market prices and pricing information from external sources, the valuation of derivative instruments involves management' s judgment and use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these derivative instruments and have a material adverse effect on NEE' s and FPL' s business, financial condition, results of operations and prospects. NEE and FPL may be materially adversely affected by negative publicity. From time to time, political and public sentiment **has resulted in and** may result in a significant amount of adverse press coverage and other adverse public statements affecting NEE and FPL. Adverse press coverage and other adverse statements, whether or not driven by political or public sentiment, may also result in investigations by regulators, legislators and law enforcement officials, **internal investigations** or in legal claims. Responding to the negative publicity and any resulting investigations and lawsuits, regardless of the ultimate outcome of the proceeding, can divert the time and effort of senior management from NEE' s and FPL' s business. Addressing any adverse publicity, governmental scrutiny or enforcement or other legal proceedings is time consuming and expensive and, regardless of the factual basis for the assertions being made, can have a negative impact on the reputation of NEE and FPL, on the morale and performance of their employees and on their relationships with regulators. It may also have a negative impact on their ability to take timely advantage of various business and market opportunities. The direct and indirect effects of negative publicity, and the demands of responding to and addressing it, may have a material adverse effect on NEE' s and FPL' s business, financial condition, results of operations and prospects. NEE' s and FPL' s business, financial condition, results of operations and prospects may be adversely affected if FPL is unable to maintain, negotiate or renegotiate franchise agreements on acceptable terms with municipalities and counties in Florida. FPL may negotiate franchise agreements with municipalities and counties in Florida to provide electric services within such municipalities and counties, and electricity sales generated pursuant to these agreements represent a very substantial portion of FPL' s revenues. If FPL is unable to maintain, negotiate or renegotiate such franchise agreements on acceptable terms, it could contribute to lower earnings and FPL may not fully realize the anticipated benefits from significant investments and expenditures, which could adversely affect NEE' s and FPL' s business, financial condition, results of operations and prospects. NEE' s and FPL' s business, financial condition, results of operations and prospects could be materially adversely affected by work strikes or stoppages and increasing personnel costs. Employee strikes or work stoppages could disrupt operations and lead to a loss of revenue and customers. Personnel costs may also increase due to inflationary or competitive pressures on payroll and benefits costs and revised terms of collective bargaining agreements with union employees. These consequences could have a material adverse effect on NEE' s and FPL' s business, financial condition, results of operations and prospects. NEE' s ability to successfully identify, complete and integrate acquisitions is subject to significant risks, including, but not limited to, the effect of increased competition for acquisitions resulting from the consolidation of the energy industry. NEE is likely to encounter significant competition for acquisition opportunities that may become available as a result of the consolidation of the energy industry. In addition, NEE may be unable to identify attractive acquisition opportunities at favorable prices and to complete and integrate them successfully and in a timely manner. Nuclear Generation Risks The operation and maintenance of NEE' s and FPL' s nuclear generation facilities involve environmental, health and financial risks that could result in fines or the closure of the facilities and in increased costs and capital expenditures. NEE' s and FPL' s nuclear generation facilities are subject to environmental, health and financial risks, including, but not limited to, those relating to site storage of spent nuclear fuel, the disposition of spent nuclear fuel, leakage and emissions of tritium and other radioactive elements in the event of a nuclear accident or otherwise, the threat of a terrorist attack or cyber incident and

other potential liabilities arising out of the ownership or operation of the facilities. NEE and FPL maintain decommissioning funds and external insurance coverage which are intended to reduce the financial exposure to some of these risks; however, the cost of decommissioning nuclear generation facilities could exceed the amount available in NEE' s and FPL' s decommissioning funds, and the exposure to liability and property damages could exceed the amount of insurance coverage. If NEE or FPL is unable to recover the additional costs incurred through insurance or, in the case of FPL, through regulatory mechanisms, their business, financial condition, results of operations and prospects could be materially adversely affected. In the event of an incident at any nuclear generation facility in the U. S. or at certain nuclear generation facilities in Europe, NEE and FPL could be assessed significant retrospective assessments and / or retrospective insurance premiums as a result of their participation in a secondary financial protection system and nuclear insurance mutual companies. Liability for accidents at nuclear power plants is governed by the Price- Anderson Act, which limits the liability of nuclear reactor owners to the amount of insurance available from both private sources and an industry retrospective payment plan. In accordance with this Act, NEE maintains the maximum amount of private liability insurance obtainable, and participates in a secondary financial protection system, which provides liability insurance coverage for an incident at any nuclear reactor in the U. S. Under the secondary financial protection system, NEE is subject to retrospective assessments and / or retrospective insurance premiums, plus any applicable taxes, for an incident at any nuclear reactor in the U. S. or at certain nuclear generation facilities in Europe, regardless of fault or proximity to the incident. Such assessments, if levied, could materially adversely affect NEE' s and FPL' s business, financial condition, results of operations and prospects. NRC orders or new regulations related to increased security measures and any future safety requirements promulgated by the NRC could require NEE and FPL to incur substantial operating and capital expenditures at their nuclear generation facilities and / or result in reduced revenues. The NRC has broad authority to impose licensing and safety- related requirements for the operation and maintenance of nuclear generation facilities, the addition of capacity at existing nuclear generation facilities and the construction of new nuclear generation facilities, and these requirements are subject to change. In the event of non- compliance, the NRC has the authority to impose fines and / or shut down a nuclear generation facility, depending upon the NRC' s assessment of the severity of the situation, until compliance is achieved. Any of the foregoing events could require NEE and FPL to incur increased costs and capital expenditures, and could reduce revenues. Any serious nuclear incident occurring at a NEE or FPL plant could result in substantial remediation costs and other expenses. A major incident at a nuclear facility anywhere in the world could cause the NRC to limit or prohibit the operation or licensing of any domestic nuclear generation facility. An incident at a nuclear facility anywhere in the world also could cause the NRC to impose additional conditions or other requirements on the industry, or on certain types of nuclear generation units, which could increase costs, reduce revenues and result in additional capital expenditures **for NEE and FPL**. The inability to operate any of NEE' s or FPL' s nuclear generation units through the end of their respective operating licenses or planned license extensions could have a material adverse effect on NEE' s and FPL' s business, financial condition, results of operations and prospects. If any of NEE' s or FPL' s nuclear generation facilities are not operated for any reason through the life of their respective operating licenses or planned license extensions, NEE or FPL may be required to increase depreciation rates, incur impairment charges and accelerate future decommissioning expenditures, any of which could materially adversely affect their business, financial condition, results of operations and prospects. NEE' s and FPL' s nuclear units are periodically removed from service to accommodate planned refueling and maintenance outages, and for other purposes. If planned outages last longer than anticipated or if there are unplanned outages, NEE' s and FPL' s business, financial condition, results of operations and prospects could be materially adversely affected. NEE' s and FPL' s nuclear units are periodically removed from service to accommodate planned refueling and maintenance outages, including, but not limited to, inspections, repairs and certain other modifications as well as to replace equipment. In the event that a scheduled outage lasts longer than anticipated or in the event of an unplanned outage due to, for example, equipment failure, such outages could materially adversely affect NEE' s or FPL' s business, financial condition, results of operations and prospects. Liquidity, Capital Requirements and Common Stock Risks Disruptions, uncertainty or volatility in the credit and capital markets, among other factors, may negatively affect NEE' s and FPL' s ability to fund their liquidity and capital needs and to meet their growth objectives, and **can could** also materially adversely affect **the their** business, financial condition, liquidity, results of operations and prospects **of NEE and FPL**. NEE and FPL rely on access to capital and credit markets as significant sources of liquidity for capital requirements, refinancing activities to support existing debt maturities and other requirements that are not satisfied by operating cash flows. Disruptions, uncertainty or volatility in those capital and credit markets **related to, among others, inflation, rising or sustained higher interest rates and political, regulatory** and geopolitical events, could increase NEE' s and FPL' s cost of capital and affect their ability to fund their liquidity and capital needs, to refinance existing indebtedness and to meet their growth objectives. If NEE or FPL is unable to access regularly the capital and credit markets on terms that are reasonable, it may have to delay raising capital, issue shorter- term securities and incur an unfavorable cost of capital, which, in turn, could adversely affect its ability to maintain and grow its business, could contribute to lower earnings and reduced financial flexibility, and could have a material adverse effect on its business, financial condition, liquidity, results of operations and prospects. Although ~~NEE' s competitive energy and other NEE~~ subsidiaries have used non- recourse or limited- recourse, project- specific or other financing in the past, market conditions, changes to regulatory capital requirements and other factors could adversely affect the future availability of such financing. The inability of NEE' s subsidiaries, including, without limitation, NEECH and its subsidiaries, to access the capital and credit markets to provide project- specific or other financing for electric generation or other facilities or acquisitions on favorable terms, whether because of disruptions or volatility in those markets or otherwise, could necessitate additional capital raising or borrowings by NEE and / or NEECH in the future and there can be no assurance that NEE or NEECH will have the ability to complete such ~~borrowings financings~~. **Defaults or noncompliance related to project- specific, limited- recourse financing agreements of NEE' s consolidated and unconsolidated subsidiaries could materially adversely affect NEE' s business, financial condition, liquidity, results of operations and prospects, as well as the availability or terms of future**

financings for NEE or its subsidiaries. NEE' s consolidated and unconsolidated subsidiaries finance a number of their assets with project- specific, limited- recourse financings. The inability of subsidiaries that have existing project- specific or other financing arrangements to meet the requirements of various agreements relating to those financings, as well as actions by third parties or lenders, could give rise to a project- specific financing default which, if not cured or waived, might result in the specific project, and potentially in some limited instances its parent companies, being required to repay the associated debt or other borrowings earlier than otherwise anticipated. ~~. If, and if~~ such repayment were not made, the lenders or security holders would generally have rights to foreclose against the project assets and related collateral. Such an occurrence also could result in NEE expending additional funds or incurring additional obligations over the shorter term to ensure continuing compliance with project- specific financing arrangements based upon the expectation of improvement in the project' s performance or financial returns over the longer term. Any of these actions could materially adversely affect NEE' s business, financial condition, liquidity, results of operations and prospects, as well as the availability or terms of future financings for NEE or its subsidiaries. NEE' s, NEECH' s and FPL' s inability to maintain their current credit ratings may materially adversely affect NEE' s and FPL' s liquidity and results of operations, limit the ability of NEE and FPL to grow their business, and increase interest costs. The inability of NEE, NEECH and FPL to maintain their current credit ratings could materially adversely affect their ability to raise capital or obtain credit on favorable terms, which, in turn, could impact NEE' s and FPL' s ability to grow their businesses and service indebtedness and refinance or repay borrowings, and would likely increase their interest costs. In addition, certain agreements and guarantee arrangements would require posting of additional collateral in the event of a ratings downgrade. Some of the factors that can affect credit ratings are cash flows, liquidity, the amount of debt as a component of total capitalization including rating agencies' treatment of certain indebtedness, NEE' s overall business mix and political, legislative and regulatory actions. There can be no assurance that one or more of the ratings of NEE, NEECH and FPL will not be lowered or withdrawn entirely by a rating agency. NEE' s and FPL' s liquidity may be impaired if their credit providers are unable to fund their credit commitments to the companies or to maintain their current credit ratings. The inability of NEE' s, NEECH' s and FPL' s credit providers to fund their credit commitments or to maintain their current credit ratings could require NEE, NEECH or FPL, among other things, to renegotiate requirements in agreements, find an alternative credit provider with acceptable credit ratings to meet funding requirements, or post cash collateral and could have a material adverse effect on NEE' s and FPL' s liquidity. Poor market performance and other economic factors could affect NEE' s defined benefit pension plan' s funded status, which may materially adversely affect NEE' s and FPL' s business, financial condition, liquidity, results of operations and prospects. NEE sponsors a qualified noncontributory defined benefit pension plan for substantially all employees of NEE and its subsidiaries. A decline in the market value of the assets held in the defined benefit pension plan due to poor investment performance or other factors may increase the funding requirements for this obligation. NEE' s defined benefit pension plan is sensitive to changes in interest rates, since as interest rates decrease, the funding liabilities increase, potentially increasing benefits costs and funding requirements. Any increase in benefits costs or funding requirements may have a material adverse effect on NEE' s and FPL' s business, financial condition, liquidity, results of operations and prospects. Poor market performance and other economic factors could adversely affect the asset values of NEE' s and FPL' s nuclear decommissioning funds, which may materially adversely affect NEE' s and FPL' s business, financial condition, liquidity, results of operations and prospects. NEE and FPL are required to maintain decommissioning funds to satisfy their future obligations to decommission their nuclear power plants. A decline in the market value of the assets held in the decommissioning funds due to poor investment performance or other factors may increase the funding requirements for these obligations. Any increase in funding requirements may have a material adverse effect on NEE' s and FPL' s business, financial condition, liquidity, results of operations and prospects. Certain of NEE' s **assets and** investments are subject to changes in market value and other risks, which may materially adversely affect NEE' s liquidity, financial condition and results of operations. NEE holds certain **assets and** investments where changes in the fair value affect NEE' s financial results. In some cases there may be no observable market values for these **assets and** investments, requiring fair value estimates to be based on other valuation techniques. This type of analysis requires significant judgment and the actual values realized in a sale of these **assets and** investments could differ materially from those estimated. A sale of an **asset or** investment below previously estimated value, or other decline in the fair value of an **asset or** investment, could result in losses or the write- off of such **asset or** investment, and **may have a material adverse effect on NEE' s liquidity, financial condition and results of operations. NEE has invested in various joint ventures and equity method investments where it does not have full control over operations, management or decision- making. In many cases, NEE shares control rights with its partners, but may lack influence or be dependent on their business priorities. This situation can lead to decisions that differ from NEE' s preferences, potentially impacting the profitability and value of these investments. Furthermore, if a joint venture partner becomes insolvent or bankrupt or is otherwise unable to meet its obligations, NEE may be responsible for meeting certain obligations of the joint ventures as stipulated in its governing documents or applicable law. NEE' s reliance on the joint venture partners, who may not always share NEE' s business priorities,** may have a material adverse effect on NEE' s liquidity, financial condition and results of operations. NEE may be unable to meet its ongoing and future financial obligations and to pay dividends on its common stock if its subsidiaries are unable to pay upstream dividends or repay funds to NEE. NEE is a holding company and, as such, has no material operations of its own. Substantially all of NEE' s consolidated assets are held by its subsidiaries. NEE' s ability to meet its financial obligations, including, but not limited to, its guarantees, and to pay dividends on its common stock is primarily dependent on its subsidiaries' net income and cash flows, which are subject to the risks of their respective businesses, and their ability to pay upstream dividends or to repay funds to NEE. NEE' s subsidiaries are separate legal entities and have no independent obligation to provide NEE with funds for its payment obligations. The subsidiaries have financial obligations, including, but not limited to, payment of debt service, which they must satisfy before they can provide NEE with funds. In addition, in the event of a subsidiary' s liquidation or reorganization, NEE' s right to participate in a distribution of assets is subject to the prior claims of the subsidiary' s creditors.

The dividend-paying ability of some of the subsidiaries is limited by contractual restrictions which are contained in outstanding financing agreements and which may be included in future financing agreements. The future enactment of laws or regulations also may prohibit or restrict the ability of NEE's subsidiaries to pay upstream dividends or to repay funds. NEE may be unable to meet its ongoing and future financial obligations and to pay dividends on its common stock if NEE is required to perform under guarantees of obligations of its subsidiaries. NEE guarantees many of the obligations of its consolidated subsidiaries, other than FPL, through guarantee agreements with NEECH. These guarantees may require NEE to provide substantial funds to its subsidiaries or their creditors or counterparties at a time when NEE is in need of liquidity to meet its own financial obligations. Funding such guarantees may materially adversely affect NEE's ability to meet its financial obligations or to pay dividends. ~~NEP-XPLR~~ may not be able to access sources of capital on commercially reasonable terms, which would have a material adverse effect on its ability to consummate future acquisitions and on the value of NEE's limited partner interest in ~~NEP-XPLR~~ OpCo. Through an indirect wholly owned subsidiary, NEE owns a limited partner interest in ~~NEP-XPLR~~ OpCo. ~~NEP-XPLR~~'s inability to access capital on commercially reasonable terms when acquisitions, other growth opportunities or capital needs arise could have a material adverse effect on ~~NEP-XPLR~~'s ability to deliver its cash distributions to its common unitholders **in the future**, including NEE, and on the value of NEE's limited partnership interest in ~~NEP-XPLR~~ OpCo. In addition, ~~NEP-XPLR~~'s issuance of additional common units or other securities in connection with acquisitions or the conversion of outstanding securities convertible into ~~NEP-XPLR~~ common units could cause significant common unitholder dilution and reduce **future** cash distributions **, if any,** to its common unitholders, including NEE. Disruptions, uncertainty or volatility in the credit and capital markets may exert downward pressure on the market price of NEE's common stock. The market price and trading volume of NEE's common stock are subject to fluctuations as a result of, among other factors, general credit and capital market conditions and changes in market sentiment regarding the operations, business and financing strategies of NEE, its subsidiaries and its affiliates ~~, including NEE~~. As a result, disruptions, uncertainty or volatility in the credit and capital markets may, for example, have a material adverse effect on the market price of NEE's common stock. Widespread public health crises and epidemics or pandemics may have material adverse impacts on NEE's and FPL's business, financial condition, liquidity, results of operations and prospects. NEE and FPL are subject to the impacts of widespread public health crises, epidemics and pandemics, including, but not limited to, impacts on the global, national or local economy, capital and credit markets, NEE's and FPL's workforce, customers and suppliers. There is no assurance that NEE's and FPL's businesses will be able to operate without material adverse impacts depending on the nature of the public health crisis, epidemic or pandemic. The ultimate severity, duration and impact of public health crises, epidemics and pandemics cannot be predicted. Additionally, there is no assurance that vaccines, or other treatments, are or will be widely available or effective, or that the public will be willing to participate, in an effort to contain the spread of disease. Actions taken in response to such crises by federal, state and local government or regulatory agencies may have a material adverse impact on NEE's and FPL's business, financial condition, liquidity, results of operations and prospects.